Canada's Automotive Future (Page 9)

Our Money-Hungry Provinces (Page 3)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Labatt Kidnappers Must be Brought to Justice

Our Police on Trial

Strikes Are Fruit of N.R.A. Theories

Bennett Travels to See for Himself

National Cabinet is Not in Prospect

Public Feels Insecure As Labatt Case Drags

THE unfortunate failure to date of the police authorities to discover and arrest the kidnappers of John Labatt is very disturbing to the sense of security of many thousands of Canadians. When the threatened McLean kidnapping was nipped in the bud there was praise for Canadian police methods. But when, a few days later, an obviously professional gang of criminals successfully seized another Canadian citizen, the feeling of security that had been engendered was undermined. It can only be restored by bringing the Labatt kidnappers to justice. So long as the Labatt outrage remains unsolved, the average citizen in Canada will wonder if he and his family are safe.

No expense, no effort should be spared by federal, provincial and municipal authorities to track down the Labatt kidnappers. Whatever it costs, a summary solution of the mystery is needed to demonstrate the quality of Canadian law enforcement methods, and to prevent further kidnappings in this country.

* * *

CRIME has been kept down in Canada and the feeling of security of the average citizen has been enhanced because Canadian justice has always been regarded as swift and certain. This is our assurance against crime conditions such as exist in many states of the Union. It is essential that would-be criminals should continue to hold the law in respect in this country. It is even more necessary that the average man should be able to maintain his own faith in the efficiency of our police officers.

Many rumors and even many jests concerning the Labatt kidnapping are circulating in word-of-mouth conversation and in the scandal sheets sold on the street corners. But a kidnapping that might easily have ended in murder is no jest; and if it remains unsolved it will be a sinister shadow across the lives of all citizens in Canada.

The authorities can prove again the competency of our protective services by arresting and punishing the Labatt kidnappers. If the problem proves too baffling for them, Canadian citizens will rest uneasily under the continued threat of further kidnappings.

* * *

Strikes Follow When Utopia Lags

MONDAY was a holiday and the non-golfers among Canadian business men were afforded an opportunity, on their radios, of hearing many leaders of United States Labor speak at the various demonstrations that marked Labor Day across the line. What they heard was that United States Labor stakes its immediate future on the "Magna Charta" of two N.R.A. promises; the thirty-hour week and the recognition of collective bargaining through agencies of Labor's own choosing—and to the A. F. of L. that means only its own unions.

There was a challenging note in the various addresses, and perhaps a degree of truculence that might have been absent were it not for the fact that union leaders were whistling up the courage of the several hundred thousand men who were due to go out on strike on Tuesday morning.

* * *

PRESIDENT ROOSEVELT, in his speeches and in the National Industrial Recovery Act; Secretary of Labor Perkins, in her speeches and suggested legislation, and the sundry members of Washington's brain trust, have promised Labor a New Deal. This New Deal has been described in a variety of terms rising in the scale of forecasts to a pretty picture of the traditional world with a gold fence around it. Now, Labor is asking the Administration to deliver the promised goods. And the Administration can no more deliver all that it has promised to Labor than it can deliver all that it has promised to the farmers or to business.

Under the circumstances, some agile thinking must be done by the president, if he is to end strikes without retreat. The thirty-hour week will come in time, but it cannot be produced out of a trick hat either by brain trusters or strike picketers. And collective bargaining

(Continued on page 2, col. 3)

Canada Biscuit Control Passes to Montreal Group

From Our Own Correspondent

MONTREAL. — Through ownership of a majority of the prior lien bonds and common stock, a group of Montreal financial and industrial men have secured control of Canada Biscuit Co., one of the largest operators in its field and which has been experiencing financial difficulties during recent years.

It has been erroneously reported that control of the bonds and stocks had passed from Viau Biscuit Corp. to Nathan Cummings. Prior to the entry into the picture of the present group, interests closely associated with Viau Biscuit Corp. held control. For one reason or another this group did not desire to carry on and their interest was taken over by Nathan Cummings on behalf of his Montreal associates.

A plan or reorganization for Canada Biscuit Co. has been under consideration since earlier in the year. A meeting called for June 6 had to be postponed until the 26th of the same month as an insufficient number of first mortgage bonds were represented. At the adjourned meeting the holders of the prior lien bonds asked for more time to study the proposal and the meeting was again adjourned until the 24th of this month.

MAY PROROGUE OTTAWA HOUSE IN NOVEMBER

Stevens Rift Seen as Possible Cause of Dissolution

PUBLIC IN SYMPATHY

Stevens Will Handle By-Election Campaign During Prime Minister's Trip to Geneva

From Our Own Correspondent

OTTAWA.—Dissolution of parliament following Prime Minister R. B. Bennett's return from Geneva, as a direct result of the rift with Hon. H. H. Stevens, is considered possible here by persons high in the councils of the Conservative party. It is believed that Mr. Bennett would rather do this than continue with a divided council and an intransigent House of Commons. It is pointed out that the new voters' lists will be compiled and ready for use by November 1, and no obstacle will exist after that date to an immediate appeal to the country.

It appears that Mr. Stevens is assured of the chairmanship of the Price Spreads Committee and that he has withstood the crisis in his career, resulting from the publication of the now famous pamphlet. Letters which have flooded into Ottawa have made it plain that, while Mr. Stevens may be in the bad graces of the Cabinet, the position which he has taken is endorsed by a great number of voters.

Stevens Heads Party

Conservative headquarters announced that Mr. Stevens will lead the government forces in the by-elections, when Federal issues will be fought in five constituencies. Evidently the future developments in this fascinating political incident will be deeply affected by the results of the contests. If the Conservative candidates make a good showing, Mr. Stevens will be in an impregnable position and will be practically certain of the leadership when Mr. Bennett retires.

It is equally obvious that he will be in a position to dictate the report of the Price Spreads Commission and of the legislation to follow. Attempts by his colleagues to interfere will bring the party face to face with the consequences of his resignation on the eve of an election.

New Liberal Strategy

From the Liberal point of view the by-elections will mark a new development in strategy. The Liberal leader, Rt. Hon. W. L. M. King, will seek from the electors of five seats a mandate to obstruct the government in every constitutional way and to compel a general election. Success will mean that government business will be hamstrung from the opening of the last session onward.

Rift Still Remains

The open rift between Mr. Stevens and the Prime Minister and (as is quite evident at the Capital) the rest of the Cabinet, remains unclosed. Recent reports in prominent Conservative dailies, such as the Toronto Mail and Empire, forecasting Mr. Stevens's retirement from the Commission are not to be fulfilled. But of more importance is the fact, well known at Ottawa, that these reports were not the emanations of political correspondents but sprang directly from the higher circles of the Cabinet.

The story of the Stevens pamphlet, as it has unfolded itself on Parliament Hill, promises to be one of the most amazing in the political history of the country. The pamphlet was issued by Mr. Stevens without prior consultation with the Cabinet. It was promptly suppressed by the Prime Minister and disciplinary action in the ordinary course was deemed inevitable.

Not First Offense

This was not Mr. Stevens's first offense against the essential constitutional principle of cabinet solidarity. The Toronto speech, it appears, was his first lone venture in this regard. It is understood at Ottawa that Mr. Stevens elected to stand by this Toronto speech, come what might, and consequently wrote a letter of resignation to Mr. Bennett, to be accepted or rejected as the Prime Minister saw fit.

That letter is still in Mr. Bennett's

(Continued on page 2, col. 2)

STRIKE TOTAL OF DOMINION BELOW 6,000

Record Shows Only 2 of Every 1,000 Workers Involved

U. S. TOTAL HIGH

Available Figures Suggest Ratio Six to Eight Times That of Canada

At the end of July, Canada had but two out of every 1,000 gainfully employed citizens on strike or "locked out," according to recent figures prepared by the Department of Labor at Ottawa. Complete figures for the United States are not available later than May, but the ratio for that country is somewhere between 12 and 15 per 1,000 workers. In making these computations, agriculturalists have been excluded from the total of gainfully employed persons.

The Canadian figures show that during July, 33 industrial disputes were underway in Canada involving 11,073 workers. Thirteen of these were carried over from the previous month and the remainder started during July. During the month, however, 22 disputes were terminated, leaving only 11 disputes unsettled at the end of the month involving 5,847 workers. Details of these follow:

Industry:	Place:	No. of workers
Paper mill workers	Dolbeau, P.Q.	40
Compositors	London	76
Coal miners	Stellarton, N.S.	800
Shoe workers	Brampton, Ont.	95
Shoe workers	New Toronto	23
Shoe workers	Toronto	6
Clothing workers	Winnipeg	400
Clothing workers	Toronto	250
Clothing workers	Montreal	4,000
Toy workers	Toronto	150
Scrap metal workers	Winnipeg	7
		5,847

This record includes only disputes of work involving six or more workers and lasting at least one working day. Time loss in working days during July as a result of these disputes totals 65,054 as compared with a time loss the previous month of 34,483 working days. In the same month last year the time loss in Canada was only 9,090 working days. No important changes have taken place in these figures in August, it is believed.

U.S. Figures Lag

Complete figures for the United States are only available up to May, 1934. These were published this week in the official monthly publication of the U.S. Department of Labor. They show at the end of May, 133 industrial disputes in effect, involving 144,151 workers. If to this be added an estimated total of 300,000 workers affected by the textile strike of this week, it would give a total of about 12 workers on strike for every 1,000 of industrial employed in the country.

Apart from these more or less known figures, allowance must be made for strikes which have occurred in the intervening months of June, July and August to achieve a total comparable with the Canadian figure. It is probable that if these figures were known it would raise the U.S. total considerably — perhaps even higher than the maximum ratio of 15 per 1,000 employees, suggested in the first paragraph.

The U.S. records show that in the first five months of 1934 some 576 disputes commenced involving 500,000 workers. This compares with

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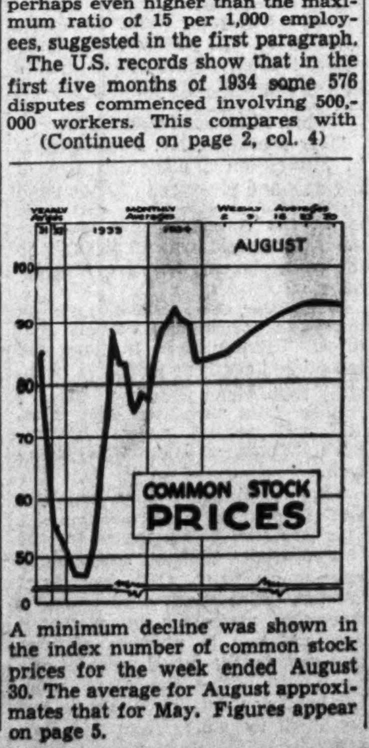


A minimum decline was shown in the index number of common stock prices for the week ended August 30. The average for August approximates that for May. Figures appear on page 5.

TO LIQUIDATE 125,000 HEAD WEST. CATTLE

Animals Face Early Starvation in Dry Areas

THREAT TO MARKET

Uneconomical to Ship Feed —Would Process Bulk if Government Lends Assistance

From Our Own Correspondent

OTTAWA. — Seeking a policy under which approximately 125,000 head of cattle west of the Great Lakes may be marketed within the next six weeks and thus saved from starvation, a delegation representing the three prairie provinces is in negotiation with Hon. Robert Weir, Minister of Agriculture, and the heads of the packing companies at Toronto.

Diverse elements involved in the problem concern taxpayers, packing houses and their shareholders, tanneries and consumers everywhere in the country. Failing a policy which will lift this vast amount of beef off the market, prices will be hammered down in the next six weeks to unprecedented lows, it is predicted. In fact shipments will be halted only when prices fail to pay the rail charges. Packing plants will be deluged with low grade beef. On the other hand, government co-operation in disposing of these cattle outside of Canada will involve about $1,000,000 by way of subventions.

Drought Victims

These cattle are the victims of drought and according to western delegates are but the ill-bred, second rate livestock in the cropless areas. It is not proposed to sacrifice high class breeding stock. The western delegates are Hon. D. G. McKenzie, Minister of Agriculture for Manitoba; Hon. J. G. Taggart, Minister of Agriculture for Saskatchewan; R. A Wright, official of the Western Livestock Union.

After preliminary negotiations with Mr. Weir, the delegates went to Toronto where they interviewed the packers. They then returned to Ottawa for further negotiations here. It is recognized, by all parties, that the western cattle problem is more acute than ever before.

125,000 Head

Of the 125,000 head, one half are in Saskatchewan and the balance is evenly divided between Manitoba and Alberta. In the two latter provinces, it is understood that the situation is not critical. While farmers in the drought areas have no feed for winter, there is pasturage which will keep the animals alive until the frost comes—probably in mid-October. In Saskatchewan it is reported that between 6,000 and 10,000 head of cattle are now starving and must either be slaughtered or fed if they are to be of the slightest value to their owners. The balance may be able to keep going until freeze-up. But with the onset of winter, the feed problem for the entire number will become emergent and the abattoirs of the west are not nearly large enough to handle so vast a number in a few days; even weeks. Therefore the delegation is urging the importance of working out a policy at once and of beginning to handle the stock forthwith.

Turn Into Hog Feed

Surveys carried out in the provinces reveal that some 20,000 are fit only for tankage. This means they should be dessicated and converted into pig feed. Some 90,000 could be slaughtered and packed in one or other form of low grade beef. The balance might be transported into northern areas and sold to farmers in need of stock—they would be chiefly milk cows.

That western delegates have agreed upon a policy and are urging it vigorously at Ottawa and Toronto is conceded to be true. The precise detail of their policy has not been

(Continued on page 2, col. 5)

Contract Awards High in August, Car Loadings Up

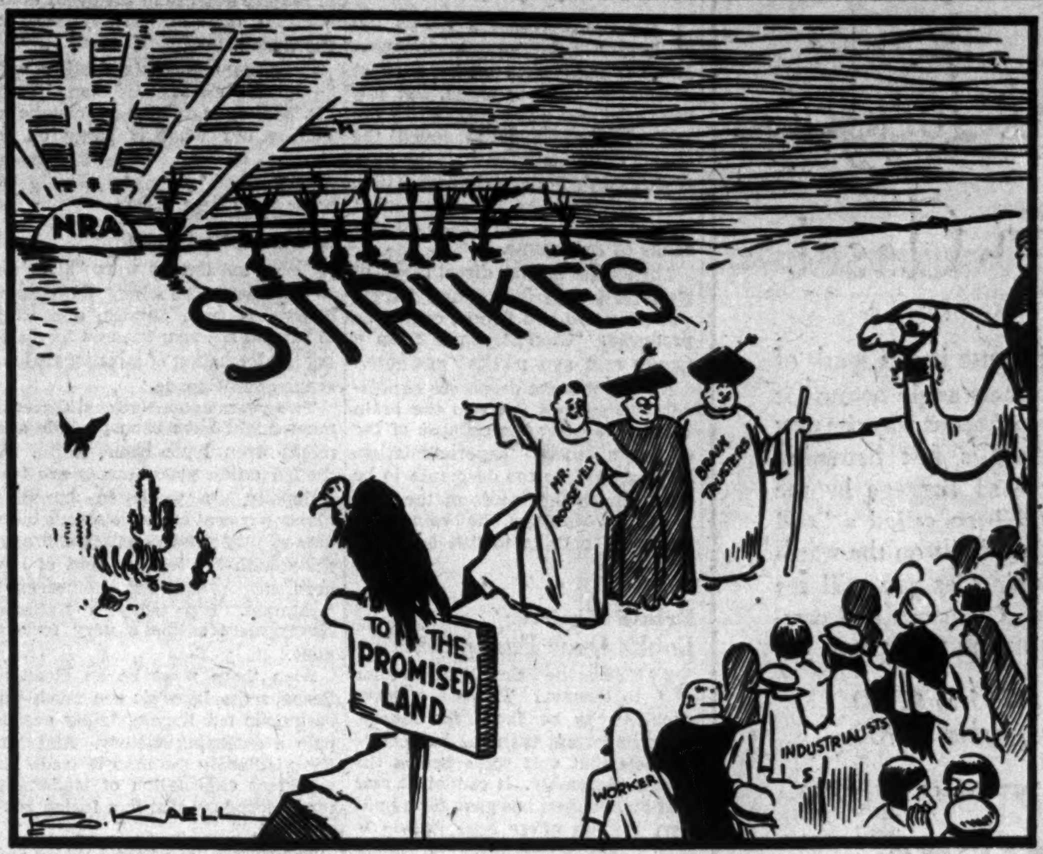
Construction contracts awarded during August were 20 per cent above the total for the previous month, a reversal of the usual seasonal trend. They were also 40 per cent above the total recorded in August last year.

Car loadings in the week ended August 25 passed the total for the corresponding week of 1931 for the first time. A good volume of grain loadings in the western division was responsible for raising the total 10 per cent above the previous week.

			Change From Prev. Period	Change From Prev. Year
Monthly		Aug. '34	%	%
Constr. contracts		$13,543,900	+20.1	+ 42.8
Sugar mfg.*	lbs.	95,041,690	+13.8	+ 7.8
		July '34		
Auto sales:				
Passenger	No.	5,431	—35.8	+ 18.7
Trucks	No.	1,107	—30.8	+ 93.5
Raw rubber imp.	lbs.	5,442,703	+10.0	+103.8
Weekly†				
Car loadings	No.	48,220	+10.1	+ 15.1
Cattle sales	No.	13,944	— 0.1	— 8.3
Hog sales	No.	11,386	— 5.1	— 19.2

* Four weeks ended August 11.

† Weeks ended Aug. 25, 30 and 30 respectively.



—Drawn for The Financial Post by R. Kaell.

IS THIS THE PROMISED LAND?

Famous Players Plans For Greater Business With Better Pictures

Theatre Managers to Have Bonuses as Receipts Go Up

FINANCES STRONG

Building Three New Theatres — Exceptional Attractions Coming—J. J. Fitzgibbons Criticizes Quebec Taxation

More people entered the 200 theatres of Famous Players Canadian Corp. during the last 12 months than in the preceding 12 months and during the next 12 months there should be a further marked increase, according to J. J. Fitzgibbons, who has just returned from a trip of inspection of company theatres from coast to coast.

Gross receipts have not been greater in the 1933-1934 season than in the 1932-1933 season because the average admission price has been lower, states Mr. Fitzgibbons. Partly as a result of the lessons of economy learned during the depression and because of the greater leisure forced by short-time in many enterprises a much greater number of people have been taking advantage of the lower prices to be secured at performances during the day. The attendance at special feature attractions has been almost phenomenal at times, however, and it has become more and more evident to executives that the public taste has been developed to such a point that it will only respond in a marked manner to exceptional entertainment. The optimism expressed by Mr. Fitzgibbons and others for better business in the season now opening is based partly on the feeling that the plays to be shown are increasingly of high entertainment value and that business is recovering its confidence and activity.

Financial Position Strong

Mr. Fitzgibbons states that though gross receipts have not increased the various policies of economy instituted in the last few years have brought fruit in better net earnings. The company has covered its bond interest requirements and its financial position is strong. It has kept its theatres up to date and is building new ones in localities that seem favorable. A new theatre will be built in Penticton at the south end of the Okanagan Valley. A new theatre to be called "The Royal" is to be built at Victoria, B.C. and the same name is to be given to a new theatre with the same name which will be opened at Guelph on September 21.

Ontario, British Columbia Lead

"Judging by our experience Ontario and British Columbia are the two provinces experiencing the best business at present," said Mr. Fitzgibbons. "British Columbia seems to be in fine shape. Alberta is doing better and Edmonton especially is giving an exceptionally good account of itself. Regina is a little better than it has been the last few years but Saskatchewan has a long way to come back. Those who have wheat in the districts around these cities will get a good price, it is agreed, but the high price will mean nothing to those who have had little or no crop.

Flin Flon Aids Winnipeg

"The city of Winnipeg is far from realizing the prosperity it should. As the greatest distributing point in the West its wholesale activities are considerable and the demand from the Flin Flon and other mining regions makes up in part for the falling off in demand from agricultural regions. Better conditions are reflected in results from Port Arthur, Fort William, Sudbury. Ontario is

(Continued on page 2, col. 5)

Paramount Plans Reorganization Soon

Paramount Publix reorganization plans of a definite nature are expected about the middle of October, The Financial Post is reliably informed.

N. L. Nathanson, president of Famous Players Canadian Corp. and a member of the board of Paramount, C. E. Richardson and B. Balaban are the three members of the executive who have been appointed as a sort of steering sub-committee to form such a plan when business and finance make it advisable. Recent statements show the cash position of Paramount to be excellent and that lends force to the expectation that a plan will be released soon after Mr. Nathanson returns from Europe.

U. K. RULINGS OFFER THREAT BACON EXPORT

Proposed Health Regulation Would Apply to Imports Only

Under the guise of health regulations exports of Canadian bacon to the British market are menaced, The Financial Post is informed. Already the British Government has received sanction to put the new regulations into force at any time but so far has held its hand and agricultural and packing house officials on this side of the Atlantic are hopeful that nothing will be done provided Canadian exports are kept down to a reasonable level.

The proposed regulations which apply only to imported products would prohibit the importing in Great Britain of any meat from an animal that showed signs of any disease. It is understood that Canada has entered an official protest. At present similar regulations apply to fresh pork but as there is only a limited demand for such from Canada the restriction is comparatively unimportant.

A Real Menace

The application of the broader regulations to apply to cured bacon and ham, however, would create a real menace, it is believed, as fully 30 per cent of the hogs in this or any other country, it is estimated, suffer from minor glandular troubles. The meat is unharmed and there is no restriction against its sale in any country. Even under the proposed regulations meat from such hogs raised in Great Britain would still be sold but the product of Canada and other outside countries would be barred.

This proposal along with other bothersome restrictions and the protests of English hog raisers against the growing volume of Canadian bacon exports has created a good deal of uneasiness in official agricultural circles, The Post is informed.

With Canada exporting considerably less than half of the 280,000,000 pounds allowed under the Ottawa Conference agreements which have still nearly three years to run, there is no fear of any ordinary repudiation of the treaties but remembering the history of the British cattle em-

(Continued on page 2, col. 1)

Highlights of the week

Motor Czar

John D. Mansfield, president of Chrysler Corp. of Canada, tells why he thinks Canada may become the motor centre of the British Empire in an exclusive Post interview. The story of Mr. Mansfield's career from cow-punching to motordom. Page 9

Civic Defaults

Thomas Bradshaw, authority on municipal affairs, explains the seriousness of defaulting civic debentures. He analyzes causes and effects with particular reference to the heavy Ontario defaults. Page 9

Self-Insurance

Pros and cons of self-insurance. Underwriting companies marshal arguments against socialization of fire and casualty risks. Page 13

The Buyer is Right

P. Ashley Cooper, governor of the Hudson's Bay Co., says the consumer is the master of the retailer and must be satisfied. His views on unethical business practices and desirable means of correcting them. Page 3

Asking for More

Revision of the policy of Dominion subsidies to provinces may occur soon. How political expediency, provincial money hunger, and the constitutional framework of Canada have drained millions from the federal purse. Page 3

Base Metals

Despite low prices for base metals, gold is not alone in the spotlight. Survey of the present position indicates that Canada's 1934 base metal output may reach a record peak. Page 16

Cadillac Rush

This famous Quebec gold area is now active along a ten mile front. A picture of latest developments in the field. Page 14

Investors' Index

Can. Biscuit control changes	1
Gatineau Pwr. revenue higher	4
Can. Hydro Elec. earnings up	4
Maple Leaf Milling exchange	5
N'west Utilities bond exchange plan	5
Dom. Woollens earnings up	5
Buywell profits increase	5
Tooke Bros. loss reduced	12
Kootenay Belle ready for mill	15
Central Manitoba Mines output down	16

INDUSTRIALS, UTILITIES, ETC.

Acadia Apts.	6	Dom. Engin'ring	11
Alexandra A.	11	Dom. Coal	12
Asbestos	11	Dom. Woollens	5
Assoc. Brew.	5, 11	E. Kootenay	12
Brazilian	5	Fam. Players	1
Burns & Co.	11	Gen. Brock	11
Buywell	5	Ind. Alcohol	11
Beatty Bros.	11	Jam. Pub. Ser.	4
Can. Vickers	11	Loblaws	11
Can. Hydro	4, 11	Maple Leaf	5
Can. Canners	11	N. W. Utilities	5
Can. Airways	12	Ottawa Pr.	11
Can. Biscuit	1	Power Corp.	4
Cumberland	5	Porto Rico	5
Can. Ins. Shrs.	10	Stand. Fuel	11
Cons. Paper	11	Tooke Bros.	12
Can. Industries	11	Western Steel	11
Gatineau Pr.	4		

MINES AND OILS

Arcadia	11	Kootenay Belle	15
Blouin Lake	15	McMillan	16
Castle Treth.	11	Minrand	15
Cent. Manitoba	16	Mining Corp.	11
Can. Enterprises	16	Normandy	15
Cons. Smelters	16	O'Connell	14
Cariboo G. Q.	5	Packsack	14
Cad.-O'Brien	14	Pilot	16
Dom. Explorers	14	Paymaster	14
Dome	15	Reno	16
Falconbridge	14	Smelter Gold	11
Gabrielle	16	Wr. Hargreaves	16

QUOTATIONS

Bonds	12	Mines	15
Grain	10	Stocks	12
Foreign Exchange	9		

REGULAR DEPARTMENTS

Answers to Enquiries	11
Business	7
Banking	4
Editorial	6
Grain and Milling	10
Insurance	13
Mining	14-16
Utilities and Transportation	4

BANK PROFITS MAY BE DOWN LOANS LOWER

Small Demand for Loans Forces Banks Into Investments

INTEREST DECLINING

Higher Investments and Falling Interest Rates Chief Influences Toward Lower Profits

Earnings on bank shares may be lower in 1934 than in 1933.

With records now available of banking operations for the first seven months of the present year, it is clear that demand for commercial loans has been even lower this year than in 1933, thus forcing banks to invest in securities. The significance of this is that the income obtained on investments is materially lower than on loans. The result of this trend therefore is a tendency to reduce income for the banks as a group.

The seeming predominance of trends tending to reduce bank profits is confirmed to The Financial Post on reliable authority as likely to mean smaller bank earnings this year. Another event pointing in the same direction was the recent reduction of the dividend rate by Banque Canadienne Nationale from 10 to eight per cent. Other banks made substantial reductions in dividends a year or more ago, so that present rates are expected to be earned.

Effects of Interest

In addition to reduction of income from investment in securities, the banks have had revenues reduced by the decline in interest rates on bonds. In the last year, for instance, the rate obtainable on short term government bonds has dropped to less than three per cent from nearly four per cent or about one third.

While bank earnings were apparently helped by reduction of the interest rate on savings deposits from three to 2½ per cent on May 1, 1933, this is believed to have been offset by reductions in loan rates, chiefly to government and municipal borrowers.

Trend to Investments

The trend of bank funds into investments is shown below:

Savings Deposits, Loans and Investments Monthly Average to July 31

	1934 $	1933 $	Change $
	(000,000's omitted)		
Loans	1,369.2	1,404.8	—35.6
Investments	836.3	820.4	+15.9
Total	2,205.5	2,225.2	—19.7
Savings deps.	1,363.0	1,390.3	—27.3

While the decline in the total of loans and investments, as a monthly average, is not as great as that for saving deposits, on which interest is paid, this does not necessarily indicate maintenance of earnings. The reduction in total volume is an indication of lower profits. And the increase of investments while loans declined bears the same significance.

Credit Index Down

Another indicator of declining bank revenues is shown in The Financial Post credit index. This applies to Canadian operations only and is a percentage of total current and call loan in Canada to total Canadian deposits. In April, May, June and July of this year the credit index declined to the lowest levels in over 10 years. The July percentage was 50.8, the lowest on record. This is another way of showing how the proportion of funds banks have been able to place in profitable loans has been declining despite business revival.

Comparative figures follow:

The Financial Post Credit Index

	1934 %	1933 %
January	53.8	57.2
February	52.7	55.4
March	53.2	55.4
April	51.8	53.4
May	51.4	52.3
June	51.7	52.1
July	50.8	53.0
7 months average	52.2	54.1
August	...	53.2
September	...	54.4
October	...	54.6
November	...	53.2
December	...	54.0
Average for year	...	54.3

*Percentage current and call loans to total deposits in Canada.

Brighter Side

It will be noted that there was a distinct revival in demand for loans in the latter months of 1933. No such upward movement appeared in July, 1934, but it may still come.

While earnings of the banks as a group are not expected to improve materially this year, the same may

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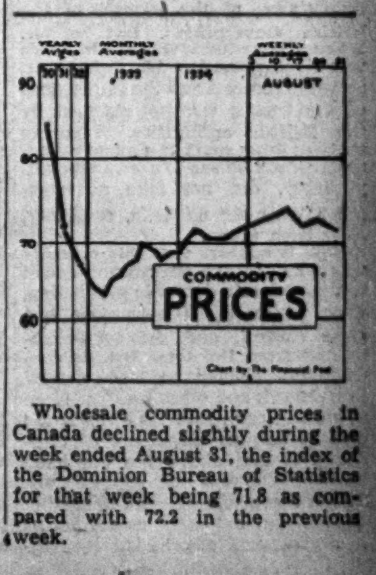
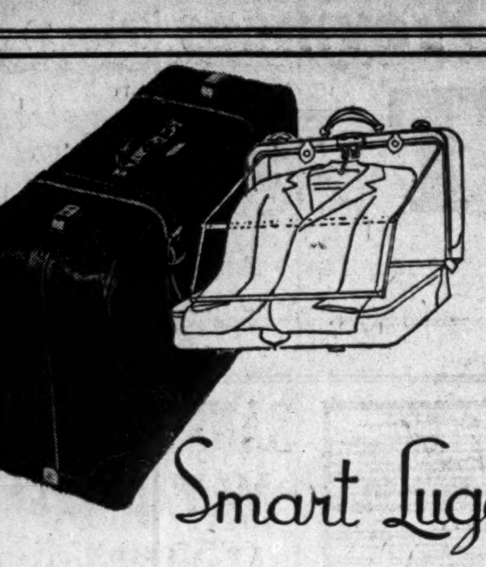


Wholesale commodity prices in Canada declined slightly during the week ended August 31, the index of the Dominion Bureau of Statistics for that week being 71.8 as compared with 72.2 in the previous week.



Smart Luggage is an Asset

From a social standpoint because it is a mark of discrimination. From a business angle because it denotes a man's success. Two reasons why the new WARDROBE GLADSTONE is fast becoming the most sought-after piece of luggage by the travelling man! It has well been called a "real he-man looking travelling bag built on the wardrobe principle." Good looking, as you will see from the illustration above. Capacious and compact as a first actual examination will prove.

In cowhide, priced $18.95 to $25.00
In splendid quality pigskin, $24.50

LUGGAGE SHOP — FIFTH FLOOR.

THE T. EATON CO LIMITED

SERVING ALL CANADA

Forest and farm land, waterfall and mine, these hold Canada's basic wealth. The Royal Bank believes in the proper development of these resources. Its services are available to encourage sound industrial enterprise in every part of the Dominion.

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

means to only a few industrialists collective bargaining with the American Federation of Labor. Industry will fight against a union monopoly with even greater vigor than the A. F. of L. will fight to achieve out of N.R.A. a stronger position than it has ever had in a country where union labor has enjoyed power in only a few isolated trades.

* * *

THE strike situation across the border is menacing to recovery. Many of the strikes are the product of revolutionary agitation, but this cannot be said of those called by the A. F. of L. which is as much the enemy of Communism as is the most reactionary industrial association. Of course, even the A. F. of L. cannot prevent the boring in within its own ranks of red agents.

The strikes are the direct result of New Deal experimentation. Utopia was promised and Utopia cannot be produced. "Utopia" comes from a Greek root and means "nowhere."

No doubt some desperate expedient will suggest itself to the brain trusters to defer the collapse of the country's social experimentation. Nothing will be too desperate to be tried, for in the words of the brilliant H. L. Mencken, the brain trusters have "nothing to lose but their brains."

* * *

Prime Minister Looks Over Europe

WHY has the Prime Minister gone to Geneva? There are grave problems to be faced in Canada, more important than the immediate subjects that will come before the League Assembly. It cannot be said that Mr. Bennett has gone for a holiday. He has never been known to seek a holiday simply for the sake of rest. when there was urgent work to be done.

One can only assume that Mr. Bennett has decided that there is more value in his presence in Europe during the next month than in his presence in Canada.

It is likely that the Prime Minister has two things in his mind. First he probably wants to find out at first hand what are the prospects for peace in Europe and peace in the Far East. Secondly, he probably has been asked by the British Imperial Government to confer on problems of Empire defense in the event of an outbreak of hostilities anywhere in the world.

Canada's immediate destiny will be decided less at home than abroad. Mr. Bennett is making no mistake in finding out what is going on in Europe.

* * *

National Cabinet Is Forlorn Hope

THEY apparently were "kites" or "straws in the wind," those news dispatches from Ottawa, appearing in several newspapers, and forecasting the formation of a National Government in Canada.

Two years ago a National Government might have been possible and might even have been useful, although union governments are traditionally, as weak in handling ninety per cent of the country's business as they are in dealing courageously with the ten per cent of key problems requiring emergency treatment. But today a National Government seems a very forlorn hope.

Soon there must be an election. Perhaps the Liberals are much too optimistic but they certainly anticipate a sweeping victory. And Mr. King is hardly the man to trade his confident expectation of leadership for a secondary seat in a fusion government.

The straws have been held up and they do not reveal a very strong breeze. Whatever breeze there is seems to be blowing in the opposite direction, toward a continuance of party government.

Footnotes to Ottawa

From Our Own Correspondent

Public Works Initiated

CABINET meetings these days are concerned chiefly with contracts for various projects initiated under the Federal works programme. During the week the government approved day labor contracts totalling $1,433,000 for construction in the National Parks. The two largest contracts were the Banff-Jasper highway, $280,000 and the Big Bend link in the trans-Canada highway in British Columbia, $175,000. Twenty-four other contracts were awarded. A public building at Moncton is to be built by the Acme Construction Co. of Saint John, at a cost of $443,585. Another public building to cost $290,925 is to be erected at Fort William by the Pigott Construction Co.

* * *

Money in Stamps

WHILE the departmental officials decline to divulge the actual figures it is learned that the post office department made slightly more than $900,000 out of philatelists or stamp collectors in the fiscal year ended March 31 last. This is about five times more than was contributed to the state by the collectors five years ago. The explanation is that the department now goes after this business. There is a philatelic branch at Ottawa with an enthusiastic philatelist in charge. Purchases by collectors are facilitated in every way. Notice of new issues is given and when collectors (who cherish the cancelled variety) send self addressed envelopes in, these envelopes are stamped with the first of the new issue; great care is taken to cancel the stamp legibly and the envelope is then put in the mail.

In the United States philatelists declare the government is looting them by bringing out one new issue after another. They must either buy or abandon their hobby. The Canadian department has refused to exploit the collectors in this way, but by giving them excellent service the direct purchases of collectors has been greatly stimulated.

* * *

New Transfer Tax Ruling

THE National Revenue department has made a concession to foreign owners of Canadian securities in ruling that the transfer tax is not to be imposed on changes of ownership which take place outside of Canada. Hereafter these foreign transfers will be put through without tax provided they are certified by responsible parties such as stock exchange officials or the officers of trust companies.

* * *

Back-to-land Movement

HON. Wesley Gordon Minister of Immigration, is continuing the drive to place urban unemployed on the land and make them self-sustaining. Beginning in October, 1930, and with the co-operation of the two railway companies, 31,199 single men have been transferred from the cities to farm jobs. The figure includes placements up to June 30, last. In addition, 14,029 families have been placed on farms and, in co-operation with the provinces, an additional 3,107 families have been launched in agriculture. All told 117,870 persons have been affected by these operations.

Coincident with this policy of farm settlement, Mr. Gordon has put a severe check on immigration. In the three years 1931, 1932, 1933, total immigration was 62,503 compared with 436,582 in the three preceding years. Departmental expenses have been reduced from about $2,000,000 prior to 1930 to $1,360,000 in the last fiscal year.

TRADE DOUBTS WHEAT OPINION OF McFARLAND

Aggressive Selling Policy Thought Best for Canada

From Our Own Correspondent

WINNIPEG.—It would not appear that farmers are likely to be influenced to any great extent by the statement issued by John I. McFarland, on his return to Canada, suggesting the possibility of improved prices, and urging a cautious selling policy for Canadian wheat.

Farmers seem to have been very considerably affected by the decline in prices from the levels reached only a few weeks ago, and in fact the Government agency in the wheat market has felt it necessary to lower the point at which it is attempting to defend the price level. Then farmers are not as susceptible as they formerly were to suggestions of higher prices to come, having rather bitter memories of advice they have received on various occasions during the past five years to that effect. Then no matter how sound Mr. McFarland's ideas may be, there is an inevitable inclination to examine his utterances in the light of his position and that of the Government in the market.

Trade Sceptical

In well informed trade circles there is general disposition to consider Mr. McFarland's remarks on the outlook for wheat as being soundly based, especially his references to the effect that short production of feed crops is likely to have on the consumption of wheat. As to the wisdom of attempting to advise farmers to hold wheat there is less agreement. Any evident movement to withhold supplies from market, it is pointed out, might be countered by a corresponding tendency on the part of buyers to delay purchases. Even if higher prices are to come later in the year that does not necessarily mean that their advent can be hastened, or that the whole crop can be sold on a higher price basis.

Wheat Sales Urged

Close observers are more impressed by the need of selling more wheat than of obtaining higher prices, feeling that the next few months, before new harvests are gathered in Argentina and Australia, constitute a period during which heavy sales of Canadian wheat should be effected if the hoped for improvement in our wheat position is to be made this year.

They are also anxious that no feeling should develop in either Great Britain or on the Continent to the effect that Canada is holding back wheat too much, with the possibility of resultant prejudice and attempts to avoid purchases in Canada such as have been seen before.

Sales Quotas Feared

Nor has it been forgotten that plans of applying sales quotas to individual farmers were lately under discussion and presumably may develop again if the proposed extension of the London wheat agreement is agreed to by different countries, and wheat held over from market by the country or by individual farmers might prevent the sale of corresponding quantities of next year's production.

Another comment heard is that it is very dangerous for Canada to limit the extent of her sales now if she intends to proceed with discussion about a regulated international market, especially when Argentina continues to sell very freely, as future negotiations for a share in the world's wheat market might have to be based on the extent of current business.

Western farmers should adopt a policy of orderly marketing during the coming year as the world feed situation is such as to warrant higher prices than now prevail, John I. McFarland stated on his return from the London meeting of the world wheat advisory committee. The wheat crop this year is only sufficient to provide for normal requirements while large quantities of wheat will be used for feed in place of coarse grains of which there is a shortage, he added.

On the price situation, Mr. McFarland said:

"I always hesitate to offer advice, but the present situation is so unprecedented that I venture the opinion that our farmers of Western Canada will do well to adopt a policy of orderly marketing by selling gradually during the coming months. The situation is such as to warrant higher prices than now prevail."

To his optimistic statements, Mr. McFarland added a word of warning to wheat growers that, although he could see elimination of more than a moderate surplus by the end of the year, a return of normal weather and crop conditions with the present production areas would result in piling up a new surplus and creating a second period of agricultural depression.

The advisory committee succeeded in reaching agreement upon certain proposed amendments to the London wheat agreement which will be submitted to the 21 governments involved for their immediate consideration, Mr. McFarland said. It was hoped that all governments would accept the amendments and so instruct their representatives that final action might be taken at the next meeting of the committee to be held in Budapest on November 20.

Among the amendments it was proposed to extend the life of the agreement for two more years and to make more effective the working out of tthe chief objective of the original act—to adjust production more closely to effective demand.

FAMOUS PLAYERS PLANS FOR GREATER BUSINESS WITH BETTER PICTURES

(Continued from page 1)

consistently the best producer of all the provinces. The Maritime Provinces have not shown any unusual improvement. Quebec is very, very slow for us.

"Summing up, if we had 1929 taxes we would be making lots of money. The taxation is very onerous, especially in Quebec where about 28 per cent goes for taxes. It is almost impossible to make money in Quebec Province as a result. None of our theatres in Montreal, Quebec or Three Rivers is making money and the losses are directly attributable to the unjustly heavy taxation.

"Elsewhere in Canada results permit us to rehabilitate properties which had been running down because of the uncertainty of the future. Aside from the abnormally heavy load of taxation, especially in Quebec, the industry has given about as good an account of itself during the depression as any. We had to trim our sails just as other industries did but we did not lie down on the job at any time and now some of the fruit of our efforts should come.

Publishing Magazine

"Will make a stronger effort than ever before to interest the public in our product. Famous Players Canadian Corp. is the only circuit in the world to buy pictures from all producers and that places us in an exceptional position to give an all-around coverage in a new magazine which we are starting in October and which will be mailed only to patrons of Canadian moving picture theatres. We intend to publish the truth about moving pictures, stars and the industry in England as well as on this continent and copiously illustrate the articles with photographs.

Profit-sharing

"For the first time in the history of this company we are also instituting a profit-sharing plan with our various managers. Taking the year ended September 1, 1934, as standard, it is our intention to offer managers of the various theatres an addition to their salaries for any extra business which they bring in. Whatever percentage their salary of 1934 bore to their gross receipts for the year ended September 1, 1934, they will be given that same percentage on all gross receipts above that year's level. For instance, if a manager had a salary of $2,600 and gross receipts of $52,000, his salary is 5 per cent of gross receipts and he would get 5 per cent of any additional receipts. It is our hope and calculation that in the coming season this one feature will add $2,000,000 to the gross receipts of the company. This plan became operative September 1, 1934.

Managers Raise Own Salaries

"This plan works out well in another way. As a measure of necessary economy during the depression we were obliged to reduce salaries of managers of theatres. With our present gross receipts we cannot afford to increase these salaries but now any manager can automatically increase his own salary by increasing his gross. He is not asked to participate in losses. The trial period for this plan is one year and though employment arrangements are just the same as previously the plan has arrangements for adjustments to meet the situation created by retirements and by changes of managers from one theatre to another.

"The manager will be given more leeway in management. So far we have budgetted each manager's advertising expenses. Under this plan advertising is definitely left up to his own discretion and judgment.

"The managers this year are also permitted to choose a number of their own short subjects and their programmes will therefore have more flexibility than formerly. There will be less restrictions on local management than ever in the past. We believe that this company has the nearest approach to an ideal working arrangement with managers and junior executives of the company of any theatrical organization. They have done well for the company. Our inspection over a long period shows very little dishonesty for such a wide-flung organizations. It is exceptional.

Exceptional Attractions

"This season also begins with an exceptional list of attractions and stars. Most film companies have a better average of pictures this season to offer. Paramount has had the unique experience of coming from a financial position which was, to say the least, very embarrassing to it, in its efforts to compete with the best of other producers, to one where it is very near the top. It may not be top producer this year but it will try for that distinction. Shirley Temple, little girl star, has done wonders to help Paramount.

Mae West Clicks Again

"There has been a lot of controversy about Mae West pictures. Recently we announced for last Sunday midnight her recent picture and for the first time in history we were obliged to turn away crowds from a midnight show. That seems conclusive as to what the public thinks of Mae West. A lot of money should be made from films on Cleopatra and Now and Forever. We are now giving a test engagement to the British picture Chu Chin Chow and it looks as if it is coming through well.

"British Gaumont promises us some exceptional pictures, notably The Iron Duke and Cecil Rhodes. The historical interest attaching to those two famous men will draw crowds all over the British Empire and even in the United States. Metro is releasing several big pictures and has already spent $1,250,000 on The Merry Widow which will feature Maurice Chevalier and Jeannette MacDonald. To justify that expenditure it must expect this picture to be popular not only on this continent but in Europe.

Mr. Nathanson Optimistic

"Our president, Mr. Nathanson, is in Europe on a combined trip of business and pleasure in London and Paris. He is also very optimistic about the coming season and expects the public to react strongly to the entertainment fare provided for them.

"This year there is a definite set toward historical and comedy features. There will be mystery and sensational pictures and it is probable that Gene Stratton Porter's popular tales "Freckles" and "Laddie" will attract many. Stevenson's "Treasure Island" is doing well.

"The trend away from gangster and sex pictures is still pronounced. The protests being made in the United States fell on ears which were ready for it. Cash receipts at the box office speak with a louder voice than any other agency that it does not pay to produce pictures that outrage the moral sense of any community. The Canadian industry has been fortunate that it has not had to worry about N.R.A. codes."

Canada's first currency notes were printed and issued by the Bank of Montreal.

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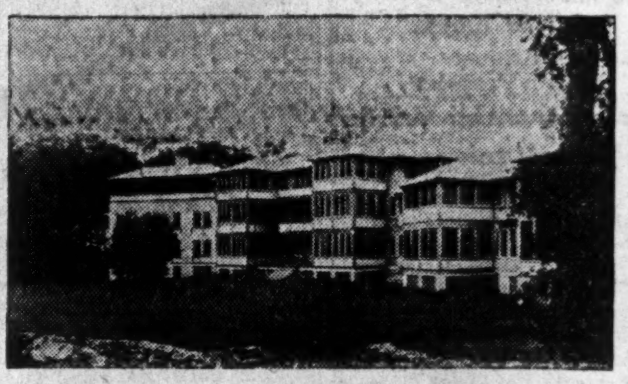

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TO LIQUIDATE 125,000 HEAD WEST. CATTLE

(Continued from page 1)

divulged but it is learned that it is based on a scheme worked out by Hon. Donald McKenzie, of Manitoba, and of which an announcement was made a few days ago. This statement reads, in part:

"It is proposed to assist in the marketing of thin ill-bred cattle, whereby the processed meat will be exported under conditions which will allow the primary producer to get the maximum possible return on the basis of prevailing prices.

Absorb Freight Charges

"The Manitoba government proposes that freight charges in connection with the marketing of such cattle will be absorbed under a tripartite arrangement between the Dominion government, the Manitoba government and the railways, each absorbing one third of the freight charges.

"Packing plants will be approached to handle the cattle and process the meat at cost.

Shipping Feed Impractical

"It is believed that the removal of the surplus of low-grade cattle will not only go a long way toward solving the feed problem, which is extremely acute, but will also have the effect of strengthening price levels on our domestic market for the better class cattle which farmers have to offer, thereby benefitting the farmers as a whole.

"The shipment of feed into the drought area to feed low grade cattle under prevailing prices is an economic waste; is of no advantage to the cattle owner, and is an avoidable burden on governmental and municipal institutions supplying the feed. This is a national problem and in asking the Dominion government and the railways to co-operate in putting this policy into effect, it is believed that it provides the most feasible solution of an acute problem under existing conditions. Moving this class of cattle to feeding grounds would in all probability prove to be an unprofitable undertaking. On the other hand, to remove them outside Canada would probably result in an improvement in the domestic market."

Drought Relief

A few days prior to the arrival of the western delegation, Mr. Weir, in co-operation with the railway companies, worked out a policy of relief for drought stricken areas which will cost at least $500,000. Under this policy the railways grant a 50 per cent rebate in rates on cattle shipped out of drought areas to northern pasturage. A one third cut in rates is granted on movement of settlers and their effects out of the stricken areas and of feed and fodder in to them. The balance of these rates will be paid, fifty-fifty, by the Dominion and the provinces, so that all of these rail movements will be free to the farmers.

But western delegates point out that the 125,000 head of cattle are beyond benefit from this policy. They are not worth moving to better areas and to ship in feed would cost at least $15 per head, even with the rail carriage free. This would be equivalent on average, to 1½ cents per lb. on the hoof, and the stock will never be worth more than one cent per lb.

As a result it is expected that the bulk of the unwanted cattle will be turned into hog feed in the Western abattoirs. Notwithstanding the drought most of the animals would be fit for tinned beef but outside the domestic market there is little demand for such a product from Canada.

The work of processing could all be done in the three Prairie provinces and would mean considerable business for the railways and the abattoirs. The result of the influx of hides from 125,000 cattle might have a depressing effect on the leather market just as the liquidation of cattle in the drought areas in United States sent hide prices there tumbling some weeks ago. This decline has since been halted somewhat by the decision of the authorities to put hides in long term storage.

FARM RESTORATION SASKATCHEWAN PLAN

To Help Re-establish Farmers Instead of Moving Them to New Areas

From Our Own Correspondent

REGINA.—The provincial government is to take the farmer off a relief basis and place him in the re-establishment category. This change of status which might appear psychological will have its effect and keep the farmer on his present holdings, the government hopes.

The theory of changing his location from the southern wheat belt to the northern park belt has not worked out so well. Some farmers have returned to their former land having discovered that all green fields are not sufficiently productive to make the change worth while.

Beatty's Views

While crossing Saskatchewan on his tour of the west, E. W. Beatty, president of the C. P. R. declared that moving people from one part of the province to another would not settle the drought problem. The solution he said lies rather in governments standing by farmers with required assistance to bring them through the emergency coupled with soil conservation on grain lands and development of grazing lands with a policy of water development and conservation on farms.

Premier Gardiner and his government do not look upon the present situation as entirely due to the drought. To use his own words he says the introduction of wheat growing into the south and west part of the province was an experiment which has advanced far enough to prove that grain farming can be carried on in those regions and that homes can be built and maintained on the wealth produced from grain crops.

U. K. RULING OFFERS THREAT BACON EXPORT

(Continued from page 1)

bargo, under which Canadian cattle were banned because of a disease that did not exist in this country, there is some real fear of a roundabout method of curtailing Canadian shipments. Aggravating ribbon stamping of all imported bacon is already in effect.

Market is Growing

What the British bacon market has meant to Canadian farmers, since 1931, is indicated by the following figures:

Calendar year	Exports to Britain lbs.,
1929	25,822,900
1930	13,011,400
1931	10,961,700
1932	30,693,400
1933	71,524,700

Exports for the present year are already understood to be far ahead of the total for 1933 and while live hog shipments are now lighter than usual there is prospect of a total export of 125,000,000 pounds for 1934.

Over Official Estimate

This will be 25,000,000 pounds over the estimate of total shipments made by Ottawa, at the request of the British Government, last winter. When the request was made there was little provision for making an accurate forecast and the importance of the figures was not stressed by the British authorities. Figuring that anything short of a quota agreement would be safe, Ottawa officials, probably, did not take as much pains with the estimate, as should have been taken.

Now it appears that this estimate was taken by the British and added to the probable domestic production, over which the Government had close control, and the total subtracted from the total British consumption. The balance was awarded to Denmark and other foreign bacon producing countries. As a result the present surplus shipments of Canada over and above the predicted 100,000,000 pounds may seriously endanger the whole British hog raising scheme and naturally would result in a great deal of criticism by English producers. Market prices might be seriously depressed.

The present British bacon market is estimated to be worth at least $25,000,000 per year to Canada generally, and to such packing companies as Canada Packers, Swift Canadian and P. Burns & Co., it is of vital importance.

As a result of this importance to farmers generally and to investors in Canadian packing concerns, it is certain that greater care will be taken by the authorities at Ottawa and the packers to make accurate estimates of future shipments. Just whether an accurate estimate can be made is another matter. No person seems to be able to predict droughts, wheat prices, dairy developments, and other factors influencing the volume of hog production very far in advance. Certainly, The Post was informed, the present light western shipments could not have been forecast last winter when hog prices were nearing a five-year peak. At present, it is reported, it appears that 1935 cannot duplicate the large bacon volume of 1934, but because of the reasons already cited, at this stage, such an opinion is little more than a guess.

MAY PROROGUE OTTAWA HOUSE IN NOVEMBER

(Continued from page 1)

possession, according to report, and is still available to solve all difficulties as between the Minister of Trade and Commerce and the Cabinet—if the latter are prepared to face the political consequences. So far it is apparent, Mr. Stevens's political following in the country is too strong to be ignored and as a result there is good reason to believe that the leadership of the party, temporarily at least, has passed from Mr. Bennett to his lieutenant.

Following the Toronto speech, last winter, report has it that Mr. Stevens was given no satisfaction with respect to the crusade he had launched. When Mr. Bennett announced the parliamentary enquiry, it is reported, the announcement was just as much news to Mr. Stevens as it was to the country at large.

Not Departmental Blunder

But the Toronto speech was merely a minor indiscretion compared to the pamphlet. In the latter case the Prime Minister definitely intervened and by suppressing the document he publicly took issue with his colleague. Mr. Stevens's explanation—that the issue of the document was intended to be strictly private and that it became public through a stupid mistake by an official of the department—this explanation would have been eagerly accepted by the Cabinet if it had been true. It is important, in this regard, to note that careful investigations were made by Mr. Bennett and that no officials were censured or dismissed.

Public Back Stevens

In the following two weeks it became evident that the decision at Ottawa was that Mr. Stevens must resign the chairmanship of the Commission. If he chose to resign from the Cabinet, as well, the decision would be his. But it appears that the pamphlet created a deep and favorable impression in the country: that Mr. Stevens, to put it plainly, has made a ten strike.

BANK PROFITS MAY BE DOWN IN THIS YEAR

(Continued from page 1)

not be true of individual banks. Moreover banks apparently view the outlook as more promising as indicated in fairly general wage increases given this year. Another confident note has been struck by the Imperial Bank which has decided to go ahead with a construction of its new head office building. It is also noteworthy that closing of branches which was widespread last year has practically ceased in the last few months.

Comparative Earnings

All told, influences tending to reduce bank earnings are considered preponderant this year. While, however, profits may be somewhat lower for several banks, changes are not expected to be as sharp as those of the last three years. Depending on the accounting practices followed, earnings may be fairly close to those of 1933 in most cases. The 1933 and 1932 figures, with present dividend rates are as follows:

Bank Earnings per Share

Bank:	1933 $	1932 $	Div. rate %
*Montreal	9.43	11.40	8
†Commerce	9.83	11.93	8
†Royal	9.12	11.61	8
‡Nova Scotia	13.95	16.11	12
†Toronto	12.97	13.07	10
*Imperial	11.20	9.08	10
‡Dominion	12.49	13.07	10
†Can. Nationale	12.36	12.29	8
†Provinciale	7.00	8.83	6

*Year ends Oct. 31. †Year ends Nov. 30.
‡Year ends Dec. 31.

STRIKE TOTAL OF DOMINION BELOW 6,000

(Continued from page 1)

corresponding figures a year ago of 460 disputes involving only 140,000 workers. Working days lost in the first five months were 10,222,000 against 1,930,000 a year ago. The number of man-days lost in 1934 to date exceeds the annual total for the years 1929, 1930, 1931 and 1932 respectively. Days lost in May alone are estimated at 3,478,000.

Analysis of complete U.S. figures for 1933 shows that there were 1,562 disputes in that year involving 812,000 workers. This is the highest since 1921-22. Of this total about one third were clothing workers; 20 per cent were miners; 15 per cent in the textile trades. Of interest, however, is the fact that the average dispute in the United States in 1933 lasted but 14 days — the shortest average period for the past 15 years. The highest figure was 51 days in 1921.

Canadian Record

On the other hand the Canadian strike and lockout record for 1933 was a comparatively good one, there being only a slight increase from the low point of the seven previous years. Number of disputes was 125, involving 26,558 employees and a total man loss of 317,547 working days. Increases in wages and standardization of working conditions under union agreements were the chief objects of the disputes, which, according to the Labor Gazette, Ottawa, "were to a great extent successful."

Money Hunger Urges Provinces To Seek New Subsidy Deal

Constitutional Framework of Dominion Blamed for System Which Has Cost Federal Government About $500,000,000

BY GRANT DEXTER

Announcement of a Royal Commission, personnel still to be selected, to revise the subsidy payments to the Maritime Provinces in the light of the report of the Duncan Royal Commission (1926) and the vigorous demands of British Columbia for an enquiry into the subsidy arrangements between Ottawa and the coast province—indicate very strongly that a general revision of Dominion policy in this regard may be expected within the next 12 months.

In fact, it is believed probable that the provinces as a whole will launch a drive for better terms from Ottawa at the constitutional conference to be held next October.

Long Bone of Contention

Subsidies to the provinces have been a bone of contention ever since 1867, when the Dominion was born. In the current year $15,286,171 will be paid by Ottawa to the provinces under this head and it would not be surprising if another $5,000,000 were added to the bill before the present controversy is ended. Total subsidies since Confederation have cost almost $500,000,000. These subsidies have been paid without rhyme or reason. No common principle is discernible in the long record of the original bargains and subsequent revisions. Political expediency seems to have been the dominant motive.

The present subsidy payments are:

Present Federal Subsidy Payments	
Prince Edward Island	$ 381,932
Nova Scotia	653,048
New Brunswick	693,040
Quebec	2,592,014
Ontario	2,941,424
Manitoba	1,694,195
Saskatchewan	2,112,803
Alberta	1,743,159
British Columbia	874,561
	$13,686,177

To this must be added $1,600,000 of special grants made to the Maritimes since 1926, "pending a revision of the subsidies." Nova Scotia has been getting an additional $875,000 per year, New Brunswick $600,000 and Prince Edward Island $125,000.

B. N. A. Act Blamed

Back of the subsidy controversy lies the indisputable fact that the British North America Act (the constitution) placed upon the provinces governmental responsibilities out of proportion to their financial resources. The result has been that the provinces, more particularly the western and Maritime units, have never been able to raise sufficient revenue to discharge the obligations imposed upon them by their own legislation.

The public demand for educational facilities, public works and social legislation has been irresistible, while successive provincial ministeries have searched in vain for taxation sources equal to their needs. No province, with the possible exception of Quebec, has been content to cut its coat according to its cloth: hence the never ending quest for more money.

Unending Controversy

Subsidies from the Dominion treasury to the provinces, were inevitable in 1867 if Confederation was to become a reality. But in commencing the traffic in money as between the two classes of Government, the Fathers of Confederation appear to have created an unending source of controversy.

The reason for subsidies is obvious. The provinces of Canada existed long before the Dominion was thought of. The old provinces possessed a considerable degree of self-government and they were constantly enlarging their jurisdiction. When Confederation was brought about, it was plain that the central Government must have exclusive control over such matters as customs duties, excise and other indirect forms of taxation. These had largely supported the old provinces and the only basis upon which Confederation could be considered was that the new Dominion should pay the provinces lump sums in lieu of these sources of revenue. Failing such payments the original provinces could not have continued to function.

Home Rule Policy

Then, too, Confederation was the result of a political breakdown of the old provincial form of Government. It was necessary to take the highly controversial questions of that day—education, civil rights, property, etc.—and place them under the exclusive control of the provinces. This was, of course, a home rule policy. But these responsibilities called for the expenditure of large sums of money—particularly education.

The original division of powers in 1867, as between the Dominion and the provinces, was based more upon political than business considerations. The plan was to leave all difficult and vexatious matters to the control of the individual provinces. Create a Dominion of a kind most likely to develop no serious political issues and thus enable Governments to live long and consolidate the country.

Reasons For Longevity

The scheme worked fairly well. Sir John A. Macdonald held office some twenty years, with a break of 4 years in the 70's. Laurier held office nearly 15 years. Borden 10 years: Mackenzie King 9 years. The longevity of successive administrations was due, it is contended by students of the constitution, to the fact that social questions were left with the provinces. These are the questions which, in other countries, bring political instability.

And it is notable that Premier R. B. Bennett proposes next October to change the constitution in a fundamental way by seeking, from the provinces, jurisdiction over hours of labor, rates of pay, conditions of work and so forth. Doubtless he does so in the belief that Canada is now a strong political entity and it is also probable that he regards the provinces as incapable of meeting the demands for legislation on social questions and that it is desirable in the best interests of the country to place this jurisdiction in the hands of the Dominion. One parliament and one government can do what nine legislatures and nine governments could never achieve.

In 1867 the subsidy policy was adopted and the payments originally authorized are set out in section 118 of the British North America Act.

To begin with the Dominion agreed to take over the debt of the four original provinces—Ontario, Quebec, Nova Scotia and New Brunswick. A maximum figure was stipulated in each case and instead of taking over the physical debt, a subsidy allowance of 5 per cent per annum of the amount agreed to was paid to the provinces.

Then annual subsidies were paid to each province, "for the support of their governments and legislatures." These subsidies were put at: Ontario $80,000; Quebec $70,000; Nova Scotia $60,000; New Brunswick $50,000. These payments, like the debt allowances, were clearly to compensate the provinces for the loss of taxation powers.

And finally a per capita subsidy based on a rate of 80 cents per head of population (reaching a maximum at 400,000 persons) was agreed to. Special concessions were made to New Brunswick by way of a further subsidy based upon no principle that is discernable in the statute.

Rights Surrendered

Having received these subsidies provinces surrendered forever the right to impose taxation on imports or exports of goods (New Brunswick excepted in the case of exports of lumber) either from or to foreign countries or as between the provinces.

To describe the interminable record of subsidy changes and extensions is impossible. British Columbia, Prince Edward Island, and Manitoba entered confederation as a result of individual subsidy bargains. So did Saskatchewan and Alberta. And as the Dominion retained ownership of the prairie public domain, a special subsidy to these three provinces on this account was ultimately agreed to.

Major Revisions Made

Sir Wilfrid Laurier revised all the subsidy arrangements in 1906 and the revision was enacted at London in 1907, with British Columbia dissenting. Major changes were made in the passing years but in 1926 the King government added $1,600,000 to the payment to the Maritime provinces. And in 1929 it agreed to return to the prairie provinces all unalienated resources.

The basis of this settlement was that the provinces got all unsold lands, and other resources and the subsidy in lieu thereof in perpetuity. And, in addition, the claims of the provinces for additional compensation were to go to arbitration commissions. Manitoba's arbitration netted that province nearly $5,000,000, paid in cash in 1930. Saskatchewan's case is awaiting decision by a Royal Commission and the province is likely to get $10,000,000. Alberta's case is only beginning.

Details of Payments

To indicate the set-up of the present subsidies the following detailed statements may be quoted from the official accounts:

	$
Ontario—	
Allowance for gov't. and local purposes	240,000
Subsidy on population at 80 cents per head for first 2,500,000 and 60 cents per head thereafter	2,559,010
Debt allowance	142,414
	2,941,424
Manitoba—	
Gov't. and local purposes	190,000
Subsidy on population	560,111
Natural resources subsidy	562.500
Debt allowance	381,584
	1,694,195
New Brunswick—	
Gov't. and local purposes	190,000
Subsidy on population	326,575
Debt allowance	261,465
Indemnity for loss of export duty on lumber (surrendered for consideration in 1906)	150,000
	693,040

In addition, New Brunswick has received a special subsidy annually since 1926 of $600,000.

Each Province Separate

These statements will show that each province has been dealt with separately and that the settlements have been the result of individual bargaining. No common principle has ever been applied. The debt allowance to Ontario actually is smaller than to Manitoba. New Brunswick gets a special $150,000 denied the others.

Payments Never Withdrawn

The record proves that once a subsidy is given it can never be withdrawn. With the exception of the special grants to the Maritimes all these subsidies are paid either under the original constitution or amendments to it. They are statutory liabilities and the votes appear but formally in the annual supply bill. The special grants are set up under miscellaneous items in the estimates and theoretically could be withdrawn without violating any statute. But no government would dream of withdrawing them and the items have appeared since 1926 as regularly as clockwork.

The obtaining of larger subsidies from Ottawa has been, for many years, the pre-occupation of provincial statesmen, always excepting the two central provinces. Ontario and Quebec have evidenced remarkable forebearance and unselfishness in this regard. They have seen their sister provinces pull off one raid after another on the treasury and have never raised the cry—"Me, too," nor complained of discriminatory treatment.

"Provincial Rights" Cry

With the other provincial politicians, it would appear that a substantial part of their waking hours have been devoted to devising new pretexts for demands on Ottawa and to sedulously propagating "provincial rights" issues.

"Maritime Rights" is a potent political war cry east of Quebec's boundary line. Maritime statesmen have taken the position that their three provinces are entitled to retain all the present subsidies and to get more. They claim the disadvantages to them of confederation have greatly outweighed the advantages and that they should be compensated liberally in the usual way. Nova Scotia and New Brunswick claim that as part of the original Confederation they contributed a substantial part of the money with which Canada purchased the northwest from the Hudson Bay Company; that unlike all the other provinces save Prince Edward Island, they have never been able to get any extension of their boundaries and therefore have a proprietary interest in western lands. Their view is that this interest should be extinguished by the Dominion—again in the usual way.

In point of fact, the Maritimes have invariably made good their claim for better terms whenever it was submitted to an independent tribunal and they are likely to do so once again when the new Commission gets under way.

The King ministry acted with generosity in 1926 in stepping up subsidies by $1,600,000. The Maritimes now argue that this increase was but tardy justice; that it should have been given long before 1926. They believe the increase should now be made retroactive for a number of years—the longer the better. If one figures on 20 years, the outline of a very large sum emerges and obviously the Maritimes are getting into real money.

Two Probes Pending

Coincident with the Federal Commission, the Nova Scotia government will run a purely provincial enquiry into the relationship between the province and the Dominion. This commission will itself furnish the foundation for future conquests at Ottawa.

Finally, there is the British Columbia case for better terms which was presented to Premier Bennett a few days ago with a request for a royal commission, but which has not yet been dealt with.

Eleven Times For B. C.

Indicative of the persistence with which these controversies are carried on, British Columbia has raised the issue in 1887, 1901, 1902, 1903, 1904, 1906, 1907, 1908, 1914, 1927 and in 1934. The case has been investigated on numerous occasions, the last being in, 1927 when the province recovered unalienated lands in the Railway Belt and the Peace River block.

The province now contends for better terms on four separate counts and in addition desires a change in the debt allowance subsidy which would net it a cash sum of $5,248,530 and also an increase in the population subsidy. Incidentally, it is also desired that the National Railways should acquire the Pacific Great Eastern Railway—a line which, in truth, begins nowhere and ends nowhere.

Consumer is Arbiter In Store Competition

Eliminate Abuses but Work Together, Hudson's Bay Head Urges Canadian Retailers

By P. ASHLEY COOPER, Governor, Hudson's Bay Co.
Address at Canadian National Exhibition on Retail Merchants and Service Clubs Day

Colonel Deacon's invitation to address you here today reached me several weeks ago while I was on board our company's ship the "Nascopie." She was at that time slowly forcing her way through the heaviest ice which Hudson Bay has known for many years.

We left Montreal on July 7 and had visited our company's posts on the Labrador Coast, in Baffin Land, and in the Bay itself. We had been away from civilization for more than a month when the invitation to speak to you came, literally, out of the air. My first inclination was to decline. I had been immersing myself in the problems of the fur trade, and was out of touch with the fast-moving, day-to-day developments in the general situation. In some ways, therefore, you will understand that this is a difficult speech for me to make. On the other hand it is a great privilege for me to spend a short time with my fellow Canadian merchants, and to look at the situation today as it affects our common problems.

Difficulties of Retailing

While I was in the Arctic I heard a story which I think illustrates the difficulties which we retailers have to face. In one of our advertisements there was a picture of a very beautiful lady wearing a very fashionable dress. Underneath this picture was the statement that this dress could be purchased for twenty-five dollars. One day an Eskimo came to Bishop Stringer, bringing with him a white fox pelt which he valued at twenty-five dollars. He showed the Bishop the advertisement and said to him: "Will you please send this fox to the Hudson's Bay Company and ask them to send me this woman to be my wife."

In all phases of life there is going on a steady process of evolution. Such evolution is inevitable, and though disturbances may temporarily impede or divert its progress, it must work out, over a period of time, according to fundamental principles. In considering any really big problem, it is essential to take a long view. So often the difficulties of the moment claim all our attention and confuse the broader aspects of the situation. At such a time I believe it to be imperative to state clearly and without equivocation the basic principles which should govern future developments. I would like to tell you today what I believe these principles to be as applied to the business of retailing. These are times of change and stress. The public must realize the simple truths and must not be stampeded into forming hasty conclusions in such exceptional and confusing circumstances.

As I have just said, evolution has been going on in every type of business toward one final objective. This I might describe as the greatest number of goods for the greatest number of people at the lowest possible price. Over a hundred years ago England had a population of about 15 millions, large numbers of whom had to face long periods of depression and starvation. Today the same country contains over 45 million people, all on a very much higher standard of living than ever before. This is due entirely to the development of production. The introduction of machinery, reorganization of factories, specialization and division of labor, have enabled men to produce more with less effort. As a natural corollary, real prices have been reduced and a greater range of necessities and comforts have been brought within everyone's reach.

The same objective has been before the pioneers of distribution.

P. ASHLEY COOPER

The problem has been to hand on the goods to the public with as little additional cost as possible. At first there were the small markets to facilitate exchange by barter. Then came individual stores, and the other developments such as aggregations of small stores under one roof, now called department stores; small stores tied together under one administration known as chains; municipal markets, etc. All these different types of organization have been searching to give the public a better article at a lower price, with such additional services as they could afford to offer.

Search for Value

Up to 1930 all branches of industry were getting badly off the rails. The war had upset the orderly progress of our natural evolution. The post-war booms encouraged us to go ahead faster than prudence should have allowed. We retailers were all competing to dazzle the public with services and attractions which were on the whole too elaborate. The depression has, I hope, brought us to our senses. In many cases it has left a legacy of inflated capital and subsidiary services which are hard to deflate and adjust to the conditions of today.

The impoverished consumer is searching more carefully than ever for the best value. In trying to meet his more exacting demands we are gradually getting back on to what must be the right lines of development. But there are other changes in the world with which we must keep pace. The changes in habits and fashions may tend to encourage the specialist, or, alternatively, may concentrate distribution in larger units. In North America you have particularly the large mail order houses, which owe their existence to the sparseness and wide distribution of the population. Yet, even this business, as well as that of other retailers, is being affected by the development of good roads, railway traffic, automobiles and aviation.

Consumer is Master

At the moment there are many different types of retail organization—individual stores, department stores, chain stores, etc. They all have an important place in the country's life. There is some particular demand which each one satisfies. I do not attempt to prophesy which of these many types will survive the inevitable process of evolution. Only in a communistic state is it possible to dictate the form of organization that shall survive. In this country we may all continue to exist as at present, or one or more of us may prove to be the most suitable. No one can foretell the eventual outcome. Therefore no one of us should waste his time in prejudging the others.

The consumer is our master. It is he who sets the pace and who eventually decides our fate. He rightly demands the highest quality article at the lowest possible price. In so far as any one of us can satisfy this demand he will succeed. If we fail to meet these demands, no power on earth can keep us in existence.

Benefit From Efficiency

We all have divergent views as to how we should satisfy the consumer. Our internal organizations vary in many respects; we follow different policies in advertising; we plan various services with which to attract the public to our stores. One firm may appear to be making larger profits or paying larger salaries and wages than its competitors. In so far as this is true, it can only do so because of its greater efficiency. If an organization can supply the public with what they want and compete successfully with its neighbors at less effort or greater gain to itself, it is entitled to all that its greater efficiency brings it. It is fulfilling the object for which it is in existence, and setting a lead in development which must be of value to the country.

In speaking thus I do not wish you to misunderstand me. I am fully conscious of the fact that one can find today in the retail trade, as in other branches of human activities, abuses and unethical practices. Personally, I do not believe that they are as prevalent as some suppose. But such as they are, I condemn them without reservation. There is no place for them in the world today. It is, of course, true that unethical practices are always, in the long run, uneconomic. With their help a business may drag itself along for a period. But, in the long run, it must inevitably come to grief, and, though delayed by these methods, its eventual ruin will be all the more complete. At the same time, though these sins will in the end meet their just reward, they are costing the country too much while they continue.

Two Kinds of Faults

We must all condemn these abuses. They exist and they must be eradicated. But they are not inherent in our system of distribution. Too often people, in attacking abuses, include in their condemnation the whole system as it stands. We must be careful to distinguish between faults in the structure and faults which are extraneous to it.

We must set to work without delay to abolish all unethical and uneconomic practices. In these days governments are increasingly sensitive to public opinion. Public opinion will inevitably force upon their attention abuses in our economic structure and they will be forced to act. In many parts of the world this has already happened to some degree. The schemes of reorganization which governments have drawn up have often done much good. But in no case are these schemes as good as those which could have been devised by the members of the trade concerned. Not only are they inferior from a technical point of view, but also there will not be the spontaneous enthusiasm for the project on which such schemes must so largely depend for their success. From every point of view it is better that members of a trade should not delay in taking the necessary steps to put their house in order.

Need to Co-operate

Retailing is an institution of society with responsibilities to the public. It is a vital link in the chain of production and distribution, and it is our duty to see that such an integral part of the country's economic structure is brought back on to the right lines of development. I would suggest that secrecy and jealousy are more prevalent in the retail trade than in many other forms of business. We are learning every day that, as problems become more complex, they can only be solved by patient co-operation. It should surely be possible for us retailers to be in closer touch with each other, so that we may study our common problems in a spirit of mutual friendliness. While every man's hand is against his neighbor, apprehension and suspicion will tend to drive us off the true course of our development. It is not necessary that, in drawing closer together, we should lose any of the freedom of action which we have all so far enjoyed. Fair competition is almost essential for progress. We can spur each other on to researches and advances which must be to the good of the consumer. But, at the same time, there is no reason why we should not be agreed on the general lines to be followed and the abuses to be eradicated.

Plan For Future

Let me repeat what I stated before to be the objective of all industry—the greatest number of goods for the greatest number of people at the lowest possible price. It is the public in their rôle as consumers who will eventually decide whether each one of us is attaining this objective. The public are our masters. There are many different ways of meeting their demands, and at this stage in our evolution no one should pretend to say what is the ideal. Let us each work conscientiously to attain our objective as efficiently as possible. Let us not waste our time attacking each other. Let us rather plan for the future and refuse to let the difficulties and complications of the moment divert us from the fundamental principles which must govern our evolution.

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Bank Chat on Current Topics

Trouble Indicators

MOST bankers know where to look for trouble in a borrower's affairs. Otherwise they wouldn't stay in the banking business very long. However, Vincent Yager, assistant vice-president of the Harris Trust and Savings Bank, Chicago, recently summarized trouble indicators in a useful manner in The Burroughs Clearing House. Conveniently, the trouble indicators do not require extensive research.

Canadian bankers will probably find Mr. Yager's summary valuable. In abbreviated form, these are the things he has found reliable danger signals:

1. Continuous borrowing (failure to clean up at least annually).
2. Shrinkage of working capital from:
    - a. Losses in operations;
    - b. Payments of unwarranted dividends or excessive withdrawals by principals;
    - c. Conversion of quick assets into fixed assets;
3. Nominal balances in account.
4. Trade payments slowing.
5. Use of a finance company.

Mr. Yager comments:

"A company is not necessarily in trouble, or about to fail, when any or all of these symptoms appear. But even one of them is a warning to watch the loan more closely. A combination of two of them is a red flag. From our experience I feel safe in saying that exceptional vigilance is profitable in the presence of any one of these factors, highly desirable in the presence of any two, and absolutely mandatory if more than two appear. We have yet to encounter a borrower who, showing three of these danger signals, did not either sink into serious trouble or else avert it by a narrow margin after the bank had forced prompt and drastic corrective measures."

• • •

Unusual Defalcation

A RECENT article entitled "Points of View" in Blackwood's Magazine written under the pseudonym "An Irishman" contains an unusual instance of an unmoral action by an Irish bank clerk. Since robbery and embezzlement are dangers that banks and bankers are constantly seeking to prevent the story is apropos at almost any time. And it is good light summer reading.

The instance was recounted by a former inspector of the Royal Irish Constabulary to the author of the "Points of View" article. A bank clerk in the inspector's headquarters town got himself heavily into debt, and helped himself to the bank's funds to the extent of some thousands of pounds; enough in fact to leave himself a substantial balance after settling in full with his creditors.

After the clerk paid his debts, and salted away the surplus, where none but he would have access to it, he went to the police inspector and confessed, and invited arrest. The inspector thought he was temporarily insane, and urged him to restore the money.

The clerk said he could not if he would, because he was sure his creditors would not give up what they had been paid. And if he could he would not on these grounds. He estimated that the judge would give him about five years, and when the durance vile was over he would go to one of the Dominions and start life anew with a bigger stake than he would ever have been able to amass by pinching and saving on his salary. Since he owed not a penny, none would suffer by his action. The bank was secured against such defalcations by a guarantee fund to which he had been forced to subscribe. Moreover the actuary had reported that the fund was swollen beyond its probable requirements and would need heavy losses to bring it down to its estimated figure.

So, the clerk concluded his explanation, the inspector could lock him up and start him on his five years without further loss of time. The conclusion of the story is not given by the author, who used it merely to illustrate how bright young men sometimes think up ingenious ways of taking other people's money.

Current Events in Banking World

Bank Credit Index Drops As Loans Continue Decline

Quick Items Rise Under Dominion's Expansive Currency Policy — Deposits Show Practically No Change

A net increase in quick items of $14,532,204 is one of the features of the combined bank statement for July 31, as drawn up by The Financial Post. Another significant feature is the decline in The Financial Post's index of bank credit to 50.8 per cent in July from 51.7 in June, the new figure being the lowest on record and indicating the small demand for acceptable commercial loans.

Among quick items, the increase in Dominion note holdings of the banks, due to the Dominion's expansive currency policy, is shown at $19,680,993. This has the effect of increasing bank cash, and the Government hopes that it will encourage banks to extend their already large investments in securities. Call loans abroad dropped $26,195,251 in July, being partly offset by an increase of over $6 millions in deposits with foreign banks and a decline of $13,942,734 in foreign deposits.

Loans Decrease

Decreases are shown in six of the seven heads under which loan and investment items are carried. While these are partly offset by an increase of $12,670,489 in holdings of government securities, and in liabilities to the public, the reduced loans are significant of the small demand for credit.

Despite the broad decline of loans, demand deposits jumped $18,417,968 to $504,264,418 in July. Savings deposits dropped $4,610,026, making a net increase of $13,807,942. This was almost exactly equal to the decrease in foreign deposits.

Comparative figures arranged by The Financial Post, and showing the decline of the credit index, are given below. The complete statement is shown on page 8.

	July, 1934 $	June, 1934 $	Change $	July, 1933 $	Change $
ASSETS					
Immediately Available Liquid Resources					
Specie	48,589,418	47,915,467	+673,951	49,542,459	—953,041
Dom. notes	145,105,629	125,424,636	+19,680,993	137,488,975	+7,616,654
Gold reserve	21,181,732	20,881,732	+300,000	20,681,732	+500,000
Foreign banks	91,723,481	85,617,808	+6,105,673	110,455,998	—18,732,517
Foreign curr.	20,240,550	18,944,201	+1,296,349	21,784,889	—1,544,339
Govt. secs.	667,159,925	654,489,436	+12,670,489	648,457,349	+18,702,576
Call loans ab'd.	98,980,927	125,176,178	—26,195,251	80,285,417	+18,695,510
	1,092,981,662	1,078,449,458	+14,532,204	1,068,696,819	+24,284,843
Loans and Securities Other Than Those of Canadian Government					
Pub. & mun. secs.	138,331,444	138,914,601	—583,157	163,197,520	—24,866,076
Other secs.	44,786,906	43,703,709	+1,083,197	54,268,310	—9,481,404
*Can. call loans	97,470,100	98,790,594	—1,320,494	108,693,858	—11,223,758
*Current loans	850,636,713	862,302,612	—11,665,899	889,085,311	—38,448,598
Loans abroad	137,922,252	146,141,487	—8,219,235	144,286,182	—6,363,980
Prov. loans	23,198,183	26,858,496	—3,660,313	20,174,003	+3,024,180
Mun. loans	122,189,362	128,496,506	—6,757,144	132,337,529	—10,148,167
	1,414,534,960	1,445,658,005	—31,123,045	1,512,042,713	—97,507,753
Other Assets					
Non-curr. loans	14,082,407	13,947,999	+134,408	14,394,605	—312,198
Real estate	7,844,868	7,710,951	+133,917	7,889,303	—44,435
Mortgages	5,874,496	6,035,505	—161,009	6,325,934	—451,438
Premises	78,194,071	78,085,397	+108,674	78,857,957	—663,886
Lets. of credit	56,104,788	52,586,547	+3,518,241	47,872,259	+8,232,529
Loans to comp.	13,271,014	13,345,999	—74,985	13,256,078	+14,936
Other assets	1,661,705	1,945,720	—284,015	1,459,785	+201,920
	177,033,349	173,658,118	+3,375,231	170,055,921	+6,977,428
Total	2,684,549,971	2,697,765,581	—13,215,610	2,750,795,453	—66,245,482
Note circ. dep.	6,744,051	6,588,796	+155,255	6,738,704	+5,347
Int. bank bal.	114,718,601	110,535,161	+4,183,440	106,122,036	+8,596,565
Gross	2,806,012,623	3,814,889,538	—8,876,915	2,863,656,193	—57,643,570
LIABILITIES					
To the Public					
Circulation	132,493,947	141,531,638	—9,037,691	132,186,129	+307,818
Dom. Govt.	34,938,055	36,291,531	—1,353,476	53,450,535	—18,512,480
Prov. Govt.	29,225,438	35,205,462	—5,980,024	23,624,436	+5,601,002
Govt. advances	40,444,000	37,944,000	+2,500,000	49,644,000	—9,200,000
Deposits by Public					
Demand dep.	504,264,418	485,846,450	+18,417,968	501,272,039	+2,992,379
Savings dep.	1,360,388,772	1,364,998,798	—4,610,026	1,379,856,960	—19,468,188
*Total	1,864,653,190	1,850,845,248	+13,807,942	1,881,128,999	—16,475,809
Foreign dep.	315,567,213	329,509,947	—13,942,734	300,596,302	+14,970,911
Due to Banks Abroad, Etc.					
United Kingdom	5,140,892	4,760,927	+379,965	6,168,540	—1,027,648
Foreign	23,053,030	23,277,473	—224,443	33,648,783	—10,595,753
Bills payable	965,342	701,243	+284,099	1,968,294	—982,952
Lets. of credit	56,104,788	52,586,547	+3,518,241	47,872,259	+8,232,529
Other liabs.	1,896,788	*2,294,222	—397,434	2,134,791	—238,003
Total public liab.	2,504,502,683	2,514,948,238	—10,445,555	2,532,423,068	—27,920,385
Due bet. banks	11,681,795	11,825,979	—144,184	12,375,815	—694,020
Liability to Shareholders					
Dividends	949,974	616,780	+333,194	972,341	—22,367
Reserve	132,500,000	132,500,000	....	162,000,000	—29,500,000
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,794,134,452	2,804,390,997	—10,256,545	2,852,271,224	—58,136,772
Credit index*	50.8%	51.7%	—0.9%	53.0%	—2.2%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Public Utility Earnings

Barcelona Traction

July:	1934 Pesetas	1933 Pesetas	Increase Pesetas
Gross earn.	8,737,404	8,664,359	73,045
Oper. exps.	3,325,447	3,288,183	37,264
Net earn.	5,411,957	5,376,176	35,781
Aggre. gross from Jan. 1.	67,772,553	65,812,074	1,960,479
Aggre. net from Jan. 1.	43,505,971	43,543,502	*37,531

*Decrease.

From $16,000,000 to $100,000,000

TWENTY years ago, gold production in Canada amounted to $16,000,000 for the year. In 1934, total gold production will have an estimated value, at the present price of gold, of $100,000,000, while dividend payments are expected to exceed $30,000,000. To Canada's gold production this year, over 30 new mines will make their contribution.

The high measure of prosperity attained by the gold mining industry has been a primary factor in enabling Canada to surmount the most trying period in her economic history. The creation of $223,000,000 of new wealth in gold in the Dominion in the past four years proved an important contribution to our national welfare.

The position of the gold mining industry in Canada was assured under the standard value of gold at $20.67 an ounce. With gold at $35 per ounce, its position is further strengthened, progress accelerated, and the return to investors correspondingly increased.

For some time past we have given careful thought and study to this industry in the belief that no Canadian investment house with an interest in all phases of the development of Canada's natural resources can fail to realize the importance of gold production in Canada. It is our intention, as opportunity affords, to offer to our clients the shares of mining companies whose properties have been opened up and developed to some extent, but only after a careful investigation has been made by us.

Investors who purchase the shares of mining companies in the early stages of development should realise that the purchase of such shares is a speculation and should be undertaken only by those who can afford to take the risk involved. Experience shows, however, that those investors who purchased the shares of promising properties in the development stage, managed by men of experience and integrity, and who were content to wait for the "long pull", have reaped the major rewards in the outstanding success attained by Canada's gold mining industry.

NESBITT, THOMSON
and Company Limited
355 St. James Street West, Montreal, Que.

Branches in all the principal cities of Canada

169A

TRUSTS & G'TEE LEVIES CHARGES EXCESS CHEQUES

Uniform Service Fees Set for Small Accounts from Sept. 1

Trusts & Guarantee Co., Toronto, has informed its depositors that it will make uniform service charges in future on small accounts against which heavy chequing is done.

The schedule of charges, which went into effect Sept. 1, is as follows:

Accounts carrying a minimum monthly balance of $100 or less:

(a) No interest will be allowed in any month in which more than two cheques are charged.

(b) Where paid cheques are five or more in any month, a service charge of 50 cents per month plus 5 cents for each cheque paid over five will be made.

Accounts carrying a minimum monthly balance of over $100 and less than $200:

(a) No interest will be allowed in any month in which ten or more cheques are charged.

(b) Where paid cheques are ten or more in any month a service charge of 50 cents per month plus 5 cents for each cheque paid over ten will be made.

An Innovation

The new policy is not general among trust companies or banks, and is an innovation as far as Canadian savings accounts are concerned.

It is understood that low rates of interest on government and municipal bonds speeded up action by the trust company in inaugurating the new charges. Officials of various trust companies point out that there is no probability of loss of valuable accounts from the policy because those affected are unprofitable. Other companies, however, have not signified their intention of following the lead of The Trusts and Guarantee Co. at present.

Banks and trust companies have various ways of getting around the unprofitabe small account. Sometimes service charges are made by trust companies. The banks leave it up to the manager in most cases. A typical case of what a banker does is to stop interest on small accounts on which chequing is excessive. Although the bank states that it pays interest on savings accounts, it is protected by the fact that it need not allow chequing on a savings account at all. Another way of correcting the abuse of chequing on savings is to ask the depositor to change to a current account. Then service charges can be levied by agreement with the customer, either on a flat rate basis or per cheque.

Weekly Bank Clearings

	Aug. 30, 1934 $	Change year ago %	Aug. 23, 1934 $
Halifax	1,798,268	+2.9	1,866,752
Saint John	1,766,375	+39.5	1,839,163
Moncton	723,046	+15.7	602,219
Sherbrooke	441,072	+12.7	461,669
Quebec	3,163,342	—3.7	3,524,904
Montreal	68,341,776	—1.0	76,905,671
Ottawa	3,304,028	+11.5	4,087,988
Kingston	431,038	+1.3	464,765
Peterborough	494,762	+22.1	524,758
Toronto	87,399,922	+3.5	95,784,268
Hamilton	2,810,809	—2.3	3,133,241
Kitchener	724,669	+9.2	837,989
Brantford	604,029	+15.3	635,267
London	1,982,269	+17.3	2,246,820
Windsor	1,750,522	—1.7	1,708,714
Sarnia	281,445	+18.5	402,535
Sudbury	689,134	+38.7	676,557
Ft. William	600,418	+50.8	760,460
Winnipeg	54,236,441	+6.6	45,762,793
Brandon	237,710	—3.3	242,277
Regina	2,992,825	+2.2	2,821,632
Moose Jaw	390,117	+5.8	399,288
Saskatoon	983,713	+4.8	1,186,283
Prince Albert	220,570	+5.7	250,360
Edmonton	3,132,826	+22.3	3,500,357
Calgary	4,479,065	+13.7	4,689,238
Medicine Hat	200,162	—0.7	215,495
N. W'minster.	542,867	+23.0	408,843
Vancouver	13,007,695	+2.9	12,936,513
Victoria	1,114,314	—9.9	1,243,999

Public Utility News

CANADIAN HYDRO SHARE EARNINGS ON HIGHER SCALE

Better Exchange Situation Helps Improve Net Profits

From Our Own Correspondent

MONTREAL. — Canadian Hydro-Electric Corp. earned $5.55 a share on its first preferred stock during the second quarter of the current year. This compares with earnings of approximately $4.70 a share for the corresponding quarter of 1933.

Consolidated operating revenue and other income of the company in the second quarter of this year were $2,414,821. This compares with $2,377,832 in the second quarter of last year. Net revenue before interest, depreciation, etc., in the second quarter this year was $2,094,151 against $1,994,650 in the corresponding quarter in 1933.

Gain Over Last Year

After deducting all charges including depreciation, earnings in the second quarter available for dividends on the 6 per cent first preferred stock were $692,204, compared with $584,965 in the second quarter last year.

Particulars of income for the second quarter of 1934 and 1933 follow:

Quarter End. June 30:	1934 $	1933 $
Oper. revenue	2,414,821	2,377,832
Loss on exchange	2,079	127,026
Profit on bonds and debent. redeemed	36,140	84,753
Total revenue	2,448,882	2,335,559
Net before int., deprec. etc.	2,094,151	1,994,650
Int., amort. of disc., & pref. div. of subsid.	1,235,092	1,248,028
Deprec. & amort. of storage works	166,855	161,657
Balance	692,204	584,965

Share Profits Higher

Improvement in net income of Canadian Hydro for the twelve months ended June 30, 1934, is seen in the fact that earnings on the first preferred stock amounted to $20.50 as against $19.10 during the preceding twelve months.

Gross revenues for the fiscal year ended last June totalled $9,491,001 as compared with $9,510,861 in the preceding twelve months, while net revenue was $8,174,128 compared with $8,043,292.

After deducting all charges including depreciation, earnings for the twelve months ended June 30, 1934, available for dividends were $2,562,784, or $20.50 a share on the first preferred stock, as against $2,387,595, or $19.10 a share for the twelve months ended June 30, 1933.

Comparative consolidated profit and loss statements are as follows:

12 Months End. June 30:	1934 $	1933 $
Oper. revenue	9,491,001	9,510,861
Loss on exchange	51,876	269,153
Profit on bonds and debent. redeemed	192,422	265,587
Total revenue	9,631,547	9,507,295
Net before int., deprec. etc.	8,174,128	8,043,292
Int., amort. of disc., & pref. div. of subsid.	4,959,504	5,011,580
Deprec. & amort. of storage works	651,840	644,117
Balance	2,562,784	2,387,595

Jamaica Public Service Reports Gain in Earnings

From Our Own Correspondent

MONTREAL. — Consolidated income statement of Jamaica Public Service Ltd., for July, 1934, shows a moderate improvement in net income as compared with the same month last year. Gross earnings amounted to $67,651, a gain of $5,032 over July last year. Operating expenses and taxes showed a slight increase while interest and amortization declined by $204, leaving a net income available for dividends amounting to $17,893, as against $14,233 in July, 1933.

Cumulative returns for the twelve months ended July 31, 1934, show gross revenue of $817,189 and a net operating revenue of $332,593. For the previous twelve months gross earnings totalled $794,959 and net $329,706. Interest and amortization charges during the past twelve months totalled $112,741, leaving a balance of $219,852. In the previous fiscal year interest and amortization amounted to $111,532 and the balance $218,173.

GATINEAU POWER REVENUE GROWS SECOND QUARTER

Surplus After All Charges Greater Than Year Ago

From Our Own Correspondent

MONTREAL. — Lower losses on exchange had a favorable effect on net earnings of Gatineau Power Co. during the second quarter of the year.

According to an official statement issued by the company gross revenues received in the quarter ended June 30, 1934, amounted to $2,389,094 compared with $2,328,806 in the second quarter of 1933. Net revenue before interest, etc., was $2,120,467 against $2,014,040 last year.

Add Larger Balance

The balance added to surplus after all senior charges was $641,845. This compares with $525,037 for the same quarter in 1933. Particulars of the income account for the second quarter of 1934 and 1933 follow:

Quarter End. June 30:	1934 $	1933 $
Oper. revenue	2,389,094	2,328,806
Loss on exchange	2,079	127,026
Profit on bonds and debent. redeemed	36,140	84,753
Total gross rev.	2,423,155	2,286,533
Net revenue	2,120,467	2,014,040
Int. on bonds and prior liens	876,926	881,251
Balance	1,243,541	1,132,789
Interest on debent.	267,255	274,386
Other int., amort. of disc., div. on pref. stock of sub.	169,229	173,513
Deprec. & amort. of storage works	165,212	159,853
Balance	641,845	525,037

Ahead of Last Year

During the twelve months ended June 30, 1934, consolidated revenues were $9,337,210, as against $9,332,474 in the previous twelve months, and net revenue before interest, depreciation, etc., was $8,268,409 compared with $8,148,217. The 1934 and 1933 figures are after loss on exchange of $51,876 and $269,153, respectively.

Net revenue of $8,268,409 in the year ended June 30, 1934, was two and a third times interest requirements on the first mortgage bonds and prior liens. After deducting this interest the balance of earnings was $4,755,677, or nearly four and a half times debenture interest.

Comparative consolidated statements for the year ended June 30, 1934, and 1933 follow:

12 Months End. June 30:	1934 $	1933 $
Oper. revenue	9,337,210	9,332,474
Loss on exchange	51,876	269,153
Profit on bonds and debent. redeemed	192,422	265,58
Total gross rev.	9,477,756	9,328,90
Net revenue	8,268,409	8,148,21
Int. on bonds and prior liens	3,512,732	3,526,25
Balance	4,755,677	4,621,95
Interest on debent.	1,077,698	1,103,31
Other int., amort. of disc., div. on pref. stock of sub.	694,878	687,56
Deprec. & amort. of storage works	644,988	653,74
Balance	2,538,113	2,177,335

Power Corp. Group Report Larger Output

From Our Own Correspondent

MONTREAL. — Subsidiary and affiliated companies of Power Corp. of Canada report an increase of 9 per cent in hydro-electric energy generated last July as compared with the same month a year ago.

Production of the group amounted to 132,653,401 kw.h., a gain of 11,050,735 kw.h., over July, 1934. The principal contributors to this increase were Canada Northern Power Corp., Manitoba Power Co. and British Columbia Power Corp. Moderate declines were shown by East Kootenay Power, Winnipeg Electric and Northwestern Power.

Comparative figures follow:

	1934 $	1933 $
Southern Canada	12,408,270	12,124,660
Canada Northern	44,349,956	38,603,560
East Kootenay	5,331,592	5,641,180
B. C. Power	34,917,958	33,307,946
Northern B. C.	947,430	830,120
Winnipeg Electric	16,600,500	17,680,200
Manitoba Power	18,020,000	13,336,000
Northwestern Pwr.	77,700	79,000
	132,653,401	121,602,666

Gov't Financing Was $101,641,933 During August

New government and municipal financing in August totalled $101,641,933, according to a compilation by Wood, Gundy & Co. This is the largest total for the month in the last five years, with the exception of August, 1933, when the Dominion floated a £15,000,000 loan in London. The provinces of Alberta, Saskatchewan, Ontario and Quebec all sold issues in August, 1934.

For the first eight months of 1934, total new financing was $258,300,217. Of this sum, $50,000,000 was raised by the Dominion in New York and £10,000,000 in London. The city of Montreal also broke into the London market in June with a private sale of £1,246,000 of 3¼ per cent one-year treasury bills.

Comparative figures follow:

Canadian Government and Municipal Financing

To August 31:	1934 $	1933 $
Dominion	130,000,000	183,000,000
Provincial	114,450,000	73,881,238
Ontario Munic.	4,668,951	12,797,718
Eastern Munic.	9,024,266	12,899,216
Western Munic.	157,000	....
Totals	258,300,217	282,578,172
Sold in Canada	152,236,351	149,578,172
Sold in U. S. A.	50,000,000	60,000,000
Sold in Gr't. Britain	56,063,866	73,000,000
Totals	258,300,217	282,578,172
Month of August:		
Dominion	50,000,000	123,000,000
Provincial	51,350,000	6,000,000
Ontario Munic.	122,433	247,642
Eastern Munic.	169,500	....
Western Munic.	....	....
Totals	101,641,933	129,247,642

Monthly Bank Clearings

	Aug., 1933	Aug., 1934
Halifax	$ 8,824,905	$ 8,796,673
Saint John	7,295,025	7,671,385
Moncton	2,398,740	2,760,534
Sherbrooke	2,493,722	2,203,123
Quebec	16,572,573	16,620,901
Montreal	360,743,797	347,103,214
Ottawa	15,849,456	17,443,374
Kingston	2,260,441	2,199,564
Peterborough	2,252,926	2,370,324
Toronto	398,219,652	420,443,023
Hamilton	14,309,603	14,487,464
Kitchener	3,533,760	3,938,620
Brantford	2,787,842	3,033,157
London	9,430,083	9,653,253
Chatham	1,770,028	1,646,012
Windsor	9,062,632	8,255,541
Sarnia	1,470,662	1,617,121
Sudbury	2,398,411	3,193,700
Fort William	2,426,169	3,018,878
Brandon	1,270,147	1,224,832
Regina	16,403,093	18,191,797
Moose Jaw	2,468,206	1,885,426
Saskatoon	5,240,986	5,341,674
Edmonton	14,228,424	15,102,665
Calgary	24,206,168	20,856,226
Medicine Hat	897,039	937,583
Lethbridge	1,544,456	1,773,081
New Westminster	2,055,748	2,240,942
Vancouver	64,438,731	66,890,499
Victoria	6,389,339	5,963,682

Public Utility Earnings

Jamaica Public Service

July:	1934 $	1933 $	Increase $
Gross earn.	67,651	62,619	5,032
Net earn.	26,984	23,527	3,457
Surp. after chgs.	17,894	14,233	3,661
Seven Months Ended July 31:			
Gross earn.	478,245	463,315	14,930
Net earn.	189,856	184,369	5,487
Surp. after chgs.	125,672	119,313	6,359

September Financial Outlook

Our September Review and Bond List outlines prospects for the bond market during the closing months of 1934, and comments on the progress of the recovery movement, in Canada, Great Britain and United States.

This booklet contains a list of diversified investment suggestions for the employment of surplus funds.

Copy of our September Review and Bond List gladly forwarded upon request.

Wood, Gundy & Company
Limited

Toronto	36 King Street West	Vancouver
Montreal	Toronto	New York
Winnipeg	PHONE: ELGIN 4321	London, Eng.

Reward Takes Option on Rice Lake Property

A working option on the Bear Lake Mining Co. property, in the Rice Lake area in Manitoba, has been taken by the Reward Mining Co. of British Columbia. The property lies about 85 miles northeast of Winnipeg and 17 miles north of the Bird River. Resumed operations have already started with T. S. Lord geologist in charge. The Bear Lake Co. has been working the property for the past five or six years and fairly recently uncovered some interesting vein structure.

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News of Investment Markets

EXTREME QUIET IN BOND TRADING BUT PRICES FIRM

Canadian Bonds Resist Softening of Sterling and U.S. Bonds

Extreme quiet and minor price changes marked Canadian bond trading in the week ended Sept. 4. The Labor Day holiday, of course, shortened the period and tended to minimize trading.

Despite softness of sterling exchange and the recent tendency to weakness in U. S. Government securities, gilt-edged Canadian bonds have maintained their recent price gains. Western provincial bonds advanced slightly in the last week. Municipal and corporation bonds showed very few changes.

Comparison with late August figures shows a slight firming of the gilt-edged bond market. A year ago prices were much lower and yields correspondingly higher than at present, as shown below:

Average Yield and Price on Seven High Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Sept. 4	3.734	111.07	Sept. 5	4.357	104.78
Sept. 1	3.740	111.03	Sept. 1	4.364	104.52
Aug. 31	3.740	111.03	Aug. 31	4.359	104.59
Aug. 30	3.741	111.01	Aug. 30	4.354	104.63
Aug. 29	3.736	111.06	Aug. 29	4.350	104.69
Aug. 28	3.751	110.97	Aug. 28	4.360	104.60
Aug. 27	3.751	110.97	Aug. 26	4.363	104.57

Western Provincials

The price gains for western provincial bonds in the week were insignificant. In comparison with a year ago, however, substantial improvement can be noted.

Western Provincial Bond Prices at Sept. 5

Issue:	1934 Bid	1933 Bid	Change
*Alberta 4½% '56	93½	90	+3½
Alberta 6% '47	103½	101	+2½
*Br. Columbia 4½% '53	92	89	+3
Br. Columbia 6% '47	101½	101½	...
†Manitoba 5% '59 ...	100	93	+7
Manitoba 6% '47 ...	104½	99	+5½
Saskatch. 5% '59 ...	93½	91	+2½
Saskatch. 6% '52 ..	101	98½	+2½

*Payable U. S. and Canada.
†Payable Canada, U. S. and U. K.

The improvement is considered significant of generally improved conditions in the four provinces. It is clear, however, that investment sentiment is still far from restoring the bonds to anything like an equal footing with those of other provinces. The more than proportionate rise of Manitoba bonds in the year is indicative of restoration of confidence because of special improvements, including a nearly balanced budget, in that province. While the seven-point rise in Manitoba 5's is partly accounted for by the three-payment clause in the bonds, the 5½-point advance in the 6's indicates a material gain in the esteem of the financial community.

Bunker Hill Trading All in New Shares

All trading in the stock of Bunker Hill Extension Mines on the mining section of the Toronto Stock Exchange is now in the new shares of the company, the old shares being withdrawn from trading on Tuesday last.

Bunker Hill Extension, which operates as a holding and investment company, secured supplementary letters patent on June 2, 1934 decreasing its authorized capitalization from 5,000,000 shares of no par value to 1,000,000 shares. The old shares are exchangeable on the basis of one new for each five held. In announcing that henceforth trading would be in the new shares only the managing committee of the Exchange ruled that new shares are good delivery against contract for old shares on the Exchange on this basis.

Obituary

Grant Hall—Senior vice-president and director of the Canadian Pacific Railway died in Montreal following a stroke. With his death passes practically the last remaining link with the great pioneer railway builders of this continent. After graduating from Bishop's College, Lennoxville, Mr. Hall entered the services of the Canadian Pacific in 1886 as a mechanic. Shortly thereafter he served for a time as general locomotive foreman with the Intercolonial Railway, returning to the C.P.R. in 1898. From then on his rise was rapid. He saw service at McAdam, Winnipeg, Revelstoke and Montreal. On January 1, 1913, he became general manager of the company's western lines at Winnipeg and two years later added the title of vice-president. In October, 1918, he was appointed vice-president and director, with jurisdiction over all lines. Mr. Hall had few outside interests, practically all of his time and attention having been devoted to affairs of the Canadian Pacific Railway.

Cumberland Ry. & Coal Ready to Redeem Bonds

In compliance with sinking fund requirements the Cumberland Railway and Coal Co. of Nova Scotia has deposited $30,274 with the National Trust Co. for redemption of five per cent first mortgage bonds maturing October, 1940.

Offers to sell these bonds will be received up until noon Sept. 19, 1934, at the Montreal office of the trust company.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew. ...	§5%	1942	Nov. 1	105
Amer. Sales Book Co.	*5%	1939	Oct. 1	103
Dom. Canners ...	‡5%	1940	Oct. 1	110
Investors Equity Corp. Series A.	5½%	1949	Oct. 1	104
Northern Electric	5%	1939	Dec. 1	105
Cumberland Rly. & Coal	†5%	1940	Sept. 19	...

*$250,000 for retirement.
‡$85,000 for sinking fund.
§Purchase of bonds for sinking fund.
†$30,274 for sinking fund.

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
Weekly Figures, 1934:										
Aug. 2	94.3	9.2	69.7	146.7	69.4	125.6	94.7	113.4	49.1	84.7
Aug. 9	99.5	9.4	69.1	150.0	71.3	128.9	103.2	117.8	50.5	87.6
Aug. 16	100.2	9.5	74.4	159.1	72.9	130.9	102.2	121.8	52.2	91.3
Aug. 23	101.3	9.3	74.2	160.2	73.1	130.6	107.6	123.0	52.5	92.5
Aug. 30	100.2	9.1	74.1	160.5	73.2	133.1	111.1	123.0	52.1	92.4

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 4 close	97.25	131.12	90.08
Aug. 31 close	98.01	132.17	90.61
Week ago	97.79	128.80	90.13
Month ago	93.07	127.06	87.76

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 4 close	62.4	54.2	54.0
Aug. 31 close	63.1	56.0	58.4
Week ago	64.2	55.5	58.4
Month ago	61.7	54.2	56.7

Harding Carpets

IF THE proposed reorganization of Harding Carpets Ltd., of Brantford, is approved by preferred and common shareholders on Sept. 25, application will be made for listing of the new common shares on the Toronto Stock Exchange. With a proposed capital of 300,000 shares, of which 170,000 would be issued, a fairly active market for the proposed shares might consequently develop.

Harding Carpets has had $750,000 of preferred stock and 20,000 shares of common outstanding since 1927, but the shares have never been listed and a dividend has never been declared on the seven per cent preferred. If the recapitalization is approved, and the shares listed, the open market feature for the stock would be advantageous to both investors and brokers. Shareholders would know the value of their investment from day to day, and addition of another trading medium to the board would add to the volume of exchange business.

Harding Carpets preferred has been quoted at about 30 over the counter, and the proposed reorganization would involve exchange of one of these shares for 20 new common shares. The company's earnings have jumped this year.

* * *

Ford's British Sales

ANNOUNCEMENT of a reduction from £1 to 15s. per horsepower of the British tax on motor cars effective from Jan. 1, 1935, is expected to result in a substantial increase in demand for cars such as the Ford V-8 exported by Ford of Canada to the British market. It is pointed out that in May, the first complete month for which the announcement could have effect, registrations of cars of more than 10 h.p. were 44.2 per cent of the total. This compares with 40.7 per cent in 1932-33 and 49.9 per cent for the seven months to April 30, 1934.

This change is expected to help Canadian and American manufacturers, who turn out cars of comparatively high horsepower, in the British market. Ford of Canada is one of the chief of these, and has recently reduced British prices on its V-8.

While these are indications that Ford's business in Great Britain may continue to prosper, probably an even more important consideration is the sterling exchange rate. The pound has been sinking in Canada, and if this were to continue, it might mean higher prices in Britain for Canadian-made Fords. The result would naturally be a detriment to sales in Great Britain and perhaps in other Empire markets. Improvement in sales to the Empire has been a major factor in the revival of Ford of Canada business this year.

B. C. MUNIC. UNION ASKS RESTRICTION SCHOOL BOARDS

Claims Educational Expenses Have Been Excessive

From Our Own Correspondent

VANCOUVER.—Contending that the school boards in British Columbia have more latitude in financial matters than in any other province and that expenditures on education have been largely responsible for the long series of provincial deficits, the Union of B.C. Municipalities has petitioned the newly appointed School Finance Commission for remedial action.

Attitude of the municipalities is based partly on the findings of the Harper commission, which recently made an exhaustive investigation of the financial relationships between the provincial government and the municipalities. The union believes that for many years the schools have spent excessively, adding to the province's indebtedness to an extent unjustified by general economic conditions.

Dangers Foreseen

"While education is a highly important public service, it is not sancrosanct," declares the petition of the municipal union. "Dangerous results will ensue if this service is carried beyond proportions warranted by a reasonable and equitable system of public finance."

Montreal Curb Market Sales Ahead of Last Year

From Our Own Corespondent

MONTREAL.—Combined sales on the Montreal Stock Exchange and Montreal Curb Market last August totalled 1,714,340 shares. This compares with 1,707,929, shares in the preceding month and with 1,657,126 shares in August last year.

On the Montreal Stock Exchange sales for the month were 279,909 shares compared with 238,234 shares in July and 416,787 in August a year ago. Montreal Curb Market sales amounted to $1,434,431 shares, consisting of 1,319,537 shares of mining stocks and 114,894 shares of miscellaneous stocks. In August last year 870,777 mining shares and 369,562 miscellaneous shares, a total of 1,240,339 shares, were sold.

Bond Tenders

Sept. 10, Kirkland Lake — $50,000, 5 per cent R. C. separate school bonds due Nov. 1, 1935 to 1954, guaranteed by Province of Ontario. Albert Serre, Kirkland Lake.

3 o'clock, Sept. 6, New Brunswick — $1,100,000, 4 per cent debentures, dated Sept. 1, 1934, due Sept. 1, 1954. Antoine J. Leger, sec.-treas.

8 o'clock, p.m., Sept. 18, Drummondville, P.Q.—$40,000, 4½ per cent bonds, dated Sept. 1, 1935, redeemable serially to Sept. 1, 1964, for sewerage construction; $23,100 4½ per cent dated June 1, 1935, redeemable serially to June 1, 1959; $14,000, 4½ per cent, dated Aug. 1, 1935, redeemable serially to Aug. 1, 1959, to replace temporary debentures issued in 1929. Joseph Marier, sec.-treas.

8 o'clock, p.m., Sept. 17, Sch. Mun. of City of Sorel, P.Q.—$225,000, 5 per cent, dated June 1, 1934. Separate tenders invited for: 1, payable serially, each year, for 10-years; 2, for 20-years; 3, for 30-years; 4, for 40-years. J. B. T. Lafreniere, sec.-treas.

HIGHER EARNINGS ARE ANTICIPATED DOM. WOOLLENS

Sharply Increased Sales Experienced — Raw Materials Down

Dominion Woollens & Worsteds Ltd. will be able to meet the bond interest due next December, it is believed, and in addition may have a fair amount of earnings left over for other purposes. While no official announcement has been made for the fiscal year ended June 30 last, The Financial Post is informed that there has been substantial improvement in earnings over 1933.

Net earnings last year amounted to approximately $45,000 but after $127,000 had been set aside for bond interest and about $35,000 for bad debts and other expenses, there was a deficit of $117,944.

Business Better

Business during the bulk of the 1934 fiscal year, it is understood, was satisfactory but in the last few months and including the first part of the new year commencing July 1, 1934, the improvement has not been as marked. This is not attributed to any falling off in general industrial activity as is reported in United States, but rather to the fact that the purchasers of woollens in Canada, fearing still higher values, overbought early. Then when the raw wool market started to decline last winter and manufactured woollens followed, there was the natural reaction on the part of the buyer to hang back.

While the price of raw material in Britain and Canada varied throughout the year it is understood that purchases by Dominion Woollens were on a lower level than for the previous year and this saving is believed to have more than offset the rise in the pound sterling.

U.S. Strike

Little effect from the United States textile strike is anticipated in Canada by this and similar companies. It is pointed out that there is little importing of United States woollens and practically no export of Canadian south of the line. Of course if the trouble continued indefinitely there might be some export. As for the movement itself, it is not expected to cross the border as there is no connection here with American textile labor unions and other conditions are reported to be absolutely different.

Trustee to Purchase Porto Rico Tel. Bonds

Offers to sell Porto Rico Telephone Co. 6 per cent first mortgage bonds for sinking fund purposes will be received by the trustee, Montreal Trust Co., Montreal, up to Sept. 20.

The trustee has some $52,000 on hand with which to purchase bonds. All offers must be for delivery in Montreal, payment to be made in U.S. funds only.

B. C. Electric Output

July output of central electric stations in British Columbia amounted to 118,233,000 kw.h. as compared with 114,975,000 kw.h. in June and 93,210,000 kw.h. in July 1933. (G)

SOON TO ISSUE NEW SECURITIES OF MAPLE LEAF

Completion Routine Details Only Remaining Cause of Delay

Holders of bonds and stock of Maple Leaf Milling Co. will shortly be advised that new scrip under the recently approved plan of reorganization may be obtained in exchange for their present securities, it is understood.

Holders of the 5½ per cent first mortgage bonds will be informed that their securities should be deposited with the trustee, The Royal Trust Co. so that the present sheet of coupons may be removed and a new sheet covering the provisions of the plan of reorganization attached.

Holders of the A and B preferred shares and of common stock will be advised that they may exchange their present holdings for new common shares through the company's transfer agents, Montreal Safe Deposit Co., Montreal, and Toronto General Trusts Corp., Toronto.

Only Details Incomplete

Completion of routine details is the only remaining cause for delay in consummating the scheme of reorganizations. This involves obtaining of supplementary letters patent and completion of a new bond mortgage, and should be arranged before the end of this month. Proofs for new share certificates and coupon sheets have already been prepared, it is understood, and when the legal details are completed the exchange of securities can be arranged promptly.

The new coupon sheets that will be attached to bonds will make provision for the change in the payment clause, Canadian funds only, and other details required by the reorganization. For the five years 1934 to 1938, there will be one coupon due annually Dec. 1 for 2¾ per cent cash, and one warrant, exercisable annually on June 1, for shares of class A stock in lieu of cash payment of interest. Thereafter the coupons will be for the full cash rate of 5½ per cent payable semi-annually.

As soon as new coupon sheets are attached to bonds, present bondholders will be able to clip the June 1, 1934, warrant and obtain two shares of new A stock per $1,000 bond for it. Application is expected to be made for listing of the new A shares and common stock on the Toronto Stock Exchange at an early date Listing of the company's shares has been withdrawn on the Montreal Stock Exchange and, it is understood, will not be renewed at present.

Associated Breweries Pays Another Dividend

Associated Breweries of Canada has declared a dividend of 25 cents a share payable September 30 to shareholders of record Sept. 15. This payment will make a total of 50 cents a share paid to date in 1934, the first payment having been made on January 2, 1934.

E. G. Sick, president, reports United States plants developing satisfactorily.

The Capilano Brewing Co., of Vancouver, in which Associated has an interest, is meeting with success. Widening of liquor legislation in Alberta and Saskatchewan has brought increased trade, he states.

Named President

C. A. VINING

Formerly with Cockfield, Brown & Co., who has been appointed president of the Newsprint Export Manufacturers Association of Canada.

N. W. UTILITIES BOND EXCHANGE PLAN RELEASED

Nesbitt, Thomson Sponsor Issue Replacing One Due in 1938

From Our Own Corespondent

MONTREAL.—Nesbitt, Thomson & Co. are sponsoring an exchange of new first mortgage bonds of Northwestern Utilities to replace those of a similar character falling due in 1938. The proposal which does not involve any new financing, provides for an exchange of the present 7 per cent first mortgage bonds for a first mortgage bond carrying the same rate of interest up to 1938 and 6 per cent thereafter to June 1, 1949, plus a cash payment of $5 for each $100 par value of bonds. A total of $2,231,100 of bonds are involved in the deal.

Northwestern Utilities has been in operation since the fall of 1923, supplying natural gas in Edmonton and adjacent municipalities. At the end of last May the company had 10,454 customers, while gas sales for the 12 months ending May 31, 1934, totalled 2,475,004,000 c.f. It is noted that in recent years there has been a moderate decline in the number of customers and gas sales, a condition which has been experienced by most other gas companies.

Details of Issue

Particulars of the issue follow:

$2,231,100
NORTHWESTERN UTILITIES LTD.
15-Year 1st Mort. Refunding Bonds
Series A
7% to June 1, 1938—6% thereafter

Dated: June 1, 1934 Due: June 1, 1949
Principal and interest payable in Canadian funds only.

Capital: Issue of these bonds are to replace bonds maturing in 1938 and does not involve the issuance of new capital.

Company: Engaged in producing and distributing natural gas in an area centring on Edmonton.

Earnings: Net income before bond interest and expense and income tax totalled $345,051 in 1933, as against interest requirements of $156,177 on this issue.

Security: First mortgage and floating charge on property.

Sinking Fund: Sufficient to retire about 60 per cent of bonds at maturity.

Purpose of Issue: Retiring the remaining outstanding first mortgage bonds.

Offer: By Nesbitt, Thomson and Co. at par and accrued interest.

Free Exchange Market Now Important in Brazil

Central Bank Still Handles All Export Coffee Transactions — Brazilian Traction Will be Hampered for Many Months Yet by Rate Revisals

Growing tendency toward a free exchange market in Brazil affords some encouragement to holders of Brazilian Traction Light & Power Co. common stock. If this had occurred before the President Vargas 'gold" decree late in 1933 it probably would have resulted in a buoyant market for the stock, but that decree made it necessary for the company to negotiate new rate arrangements for various utilities in different communities of Brazil. As always the path in each case to an eventual agreement is tortuous and thorny. The question of dividends on Brazilian stock, therefore, now depends on other factors than exchange.

There is, however, room for encouragement in this tendency of exchange to be decided by operations on a free market. The exports on which the exchange market was free have been extended in the last several months until now every export but coffee can arrange for exchange through other banks than the Bank of Brazil. The latter still controls the situation as to coffee and as that is Brazil's chief export the exchange market cannot be considered a free one until coffee also joins the list. Even in the case of exports sold through other banks a certain percentage of exchange is set aside for the Bank of Brazil.

The free market is an important market, however. The rate is around 6¾ cents for the milreis and that is very different from the 11 cents shown a few years ago.

The advent of the constitutional régime to replace the dictatorship under Vargas has improved foreign sentiment with regard to Brazil considerably. Eventually Brazil must depend to a large extent on foreign lending to help it develop its great resources and the hope is that under a constitutional régime the narrow nationalistic tendencies shown in this and other countries under the stress of the depression may give way to a better understanding of where the country's real interests lie. In the meantime it may take many months yet before the actual position of foreign companies doing business in Brazil becomes clear. The necessity of doing all business in future in paper milreis makes it a difficult matter to come to an understanding on rates that will be fair to companies as well as to consumers.

STILL HOLDS HOPE OF B. C. REFUNDING

Hon. John Hart Studying Use of Ottawa Loan to Province

From Our Own Correspondent

VANCOUVER.—Hon. John Hart, B.C. Minister of Finance, is still confident that in the near future he will be able to refund British Columbia's government debt at a lower rate of interest. In the meantime he is studying means of making the most effective use of the loan supplied by the federal government as a result of his conferences in Ottawa.

Financial assistance has been obtained by British Columbia from Ottawa as follows:

$2,800,000 to cover the provincial share of direct relief to March 31 next. This is in addition to the $150,000 monthly federal grant.

$2,000,000 to refund notes maturing in New York.

$375,000 to cover the deficit in last year's budget accounts.

$1,000,000 to be used in making advances to municipalities unable to carry their share of direct relief.

$1,000,000 for a public works programme.

Premier Pattullo orginally asked for $5,000,000 for public works and will renew this plea at a conference in October.

The union of municipalities demands an overhauling of the province's financial structure with relief of taxes on real estate and increase in income taxes. Further reduction in governmental expenditures, particularly education, is essential, the union declares. The union maintains that, while nearly all government services have been reduced, the education system alone has been carried on according to pre-depression standards. The financial independence of the school boards and their power to demand money from municipalities, regardless of decreased revenues, is condemned by the union. Raising the compulsory age limit from sixteen to eighteen is criticized as meaning an unnecessary increase in the education bill.

Public Utility Earnings

East Kootenay Power Co.

	1934	1933
July:		
Gross revenue	$34,829	$33,654
Oper. expenses	11,566	11,207
Net revenue	23,263	22,447
Four Months:		
Gross revenue	136,976	133,541
Oper. expenses	45,676	45,541
Net revenue	91,300	88,510

BUYWELL MKTS. PROFITS ARE UP NEARLY 20 P. C.

Montreal Chain Reports Larger Sales — Lease New Site

Profits from all sources of Buywell Food Markets Ltd., of Montreal, were $8,124 for the year ended June 16, 1934, as compared with $6,823 in 1933 or an increase of nearly 20 per cent, according to the second annual report of the company. Sales were reported above the previous year the gain being made by those stores which formerly reported losses.

Earnings for the fiscal year covered preferred dividend requirements almost four times and surplus as at June 16, 1934, stood at $12,152, before income tax.

The liquid condition of the company was improved after reserves, considered adequate, had been set aside. Working capital amounted to $24,732 at the end of the fiscal year as against $19,831 for 1933.

M. Zahler, president of the company, announced that the management has leased a new site on St. Catherine Street West, Montreal, which will be converted into a new market ready for business about October 1.

Commenting on the outlook, Mr. Zahler stated: "Business conditions during the past year throughout Canada have been very trying. Taking into consideration this fact as well as the fact that during the period under review many of the problems resulting out of the bankrupt Stanford estate taken over had not yet been completely adjusted, your management feels that the results of the company's operations are very gratifying and shareholders have every cause to look forward optimistically to the future of their company."

The following board of directors was elected for the ensuing year: M. Zahler, J. H. Magid, H. N. Chauvin, C. Burns and S. Magid.

PAPER PRODUCERS SET UP NEW BODY

C. A. Vining Heads Newsprint Organization Known as "Nemac"

From Our Own Corespondent

MONTREAL. — Organization of the Newsprint Export Manufacturers Association of Canada is now complete and announcement is made of the appointment of Charles A. Vining as president. L. J. Belnap, president of Consolidated Paper Corp., who has been president of the association since its inception last spring, will continue to act on the executive committee, the personnel of which follows: F. W. Clarke, Anglo-Canadian Pulp and Paper Mills; G. T. Clarkson, Abitibi Power and Paper Co.; A. R. Graustein, Canadian International Paper Co.; A. E. McMaster, Powell River Co.; and F. J. Sensenbrenner, Spruce Falls Power and Paper Co.

The association, better known as Nemao, comprises virtually all of the newsprint producing companies in the Dominion. It was organized last spring, largely to co-operate with an association of the industry in the United States under N.R.A. and, at the same time, to deal with the particular problems of the Canadian industry.

English Geologists Report on Cariboo Gold Quartz

The long awaited report on the property of Cariboo Gold Quartz, in the Cariboo area of B.C. has been released by McCarthy & Binns, London, Eng., consulting geologists, and contains data which leads the engineers to state that the indicated ore on the property amounts to 40,000 tons averaging .4 ounce of gold, or $14 per ton with gold at $35 per ounce, over a width of 34 inches. The engineers state that there is reason to believe that the ore persists at great depth. They state that the present 100-ton mill must be regarded as a pilot mill, but that there is a "distinct possibility" that a larger plant will be warranted in the future. At the present time, however, there is not enough ore to warrant increasing the mill capacity.

Abitibi Prospectors Active in Quebec

From Our Own Correspondent

AMOS, QUE.—With the Huronian Mining & Finance acquiring and developing ground in Bourlamaque Township, and with Lamaque Contact meeting with excellent results, mining attention is being focussed to the property of Abitibi Prospectors Syndicate, adjoining.

Abitibi Prospectors Syndicate has been carrying on a programme of development and exploration for the past two months. Work to date has resulted in uncovering a mineralized zone of 300 ft. in width. South of the zone is a two-ft. quartz vein, well mineralized with pyrite and chalcopyrite from which interesting values have been secured.

Abitibi Prospectors Syndicate property adjoins Huronian Mining & Finance on the east, and Lamaque Contact Gold Mines on the west.

ONTARIO MOTORIST PAYS TWO-FIFTHS GOVERNMENT COST

Share is Double That Paid in Other Provinces

Ontario motorists provided a larger share of the province's revenue than those of any other province in 933, 40 per cent of Ontario's revenue being collected through gasoline tax and registration fees as compared with less than 20 per cent in British Columbia and Saskatchewan and slightly larger amounts in the other provinces with the 32.4 per cent in Quebec being the next highest. This is one of the interesting facts revealed in "Facts and Figures of the Automobile Industry" recently published by the Canadian Automobile Chamber of Commerce, Toronto, and distributed to automobile dealers, bank managers, insurance officials and other financial executives throughout the Dominion.

Only two years ago—in 1931 to be exact—automobile revenues in the various provinces amounted to approximately equal proportions of the total revenues, the average being slightly over 20 per cent. During these years when provincial revenues were declining, however, only in Ontario and Quebec did automobile revenue make any marked advance despite increased gallonage taxes in all provinces. In Nova Scotia and Saskatchewan, automobile tax revenue was actually smaller in 1933 than in 1931 although taxes were higher.

Tax By Provinces

Total revenue and automobile tax revenue in Canadian provinces in 1931 and 1933 follow:

Automobile Taxation Revenue

	Gasoline tax 1933 $	Total rev. from motor vehicles 1933 $	% of all provincial revenue 1933 %	1931 %
P. E. I. .	166,831	262,113	20.7	21.6
N. S. ...	983,571	1,989,511	27.6	25.5
N. B. ...	865,790	1,624,187	31.4	28.3
Que.	4,952,764	10,044,671	32.4	23.8
Ont.	12,852,577	20,493,342	39.9	20.6
Man. ...	1,643,600	2,526,836	20.4	15.4
Sask. ...	1,289,989	2,770,055	18.7	20.3
Alta. ...	1,739,240	3,348,981	21.7	18.7
B. C. ...	2,023,403	3,916,681	18.2	16.2

Rates Vary

Gasoline tax rates in Canadian provinces vary from six to eight cents, the three Maritime provinces collecting the highest amount, British Columbia and Manitoba the seven cents and the other six cents.

Altogether direct automobile taxation in 1933 amounted to slightly over $47,000,000, as compared with $48,200,000 in the previous year. Of the 1933 figure, gasoline tax accounted for $26,500,000, registration fees on passenger cars $12,442,000 and trucks $4,666,000. The balance is accounted for by chauffeurs, drivers and dealers licenses, transfer fees and mileage taxes on public vehicles which are in force in some provinces.

Source of Statistics

Statistics presented in the publication are stated to have been obtained from the Dominion Bureau of Statistics unless otherwise stated and, the publication contains all the essential facts on the Canadian automobile industry in concise and interesting form. These facts have been grouped under the following main headings: manufacturing; sales; registrations; imports and exports; license fees and gasoline taxes and tourist information.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Sch. Com. of St. Joseph de Grantham, Que.	Aug.	L. G. Beaubien & Co.	5%	1935-48	$39,700	....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date	Offered by	Rate	Class	Amount	Price	Yield
Marysville Mining Co.	Sept.	Walter Broadway Oborne & Co.	...	......	300,000 shs.	25c	....
Ranger Gold Mines	Sept.	Stewart, McNair & Co., F. F. Montague ..	...	Treas.	400,000 shs.	25c	....

The Financial Post

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Business Manager—D. M. Gowdy

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TORONTO, SEPTEMBER, 8, 1934

CANADA DOES BETTER WITHOUT NEW DEAL

IN CANADA, the general level of business remains well above the level of last year. In the United States, however, the curve of business has dipped sharply below the 1933 total.

General world recovery set in in the midsummer of 1932 and has continued fairly steadily ever since. From this trend both the United States and Canada have benefitted. The United States has had the New Deal. Canada has not departed to any considerable extent from the more orthodox tenets of political economy. Yet we have forged ahead much more rapidly than the United States.

Calvin Bullock, Montreal, has made a comparison of the American and Canadian recovery. In the following table the percentages shown indicate the improvement in the different indices of business since January or February, 1933, and the latest month for which figures are available.

	Per cent
General Industrial Production:	
Canada	56.2
U. S. A.	30.3
Electric Power Production:	
Canada	26.8
U. S. A.	19.0
Railroad Freight Traffic:	
Canada	46.9
U. S. A.	29.9
Steel Production:	
Canada	470.0
U. S. A.	247.5
Bank Clearings:	
Canada	37.9
U. S. A.	40.0
Employment:	
Canada	37.8
U. S. A.	25.8
Construction:	
Canada	288.0
U. S. A.	121.0*
Export Trade:	
Canada	190.0
U. S. A.	62.0
Security Prices:	
Canada	78.1
U. S. A.	59.6

The manner in which Canada, without a New Deal, has beaten United States recovery is remarkable and significant. The conclusion of Calvin Bullock is that Canadian investments are more attractive today than United States investments in general.

MINIMUM WAGE LAW FOR ONTARIO

IT IS officially forecast by the new Deputy Minister of Labor in Ontario that the province is to have a minimum wage law. It is proposed to divide the province into areas having common problems. Manufacturers and workers in these areas will meet to fix the minimum wage in each industry.

This will be Canada's most pretentious experiment in minimum wage legislation. Most of the provinces have minimum wage laws for women and Manitoba and British Columbia have minimum wages for men in certain trades.

The new law, if and when it is passed, will hardly produce a new deal for labor in Ontario, although it may provide opportunity for determination of many abuses that are now present. The expectation of minimum wages is hailed by many industrialists as well as labor men because it is admitted that the exploiting employer is the common enemy of the responsible manufacturer and the worker.

If minimum wages for men are to be effective and have a continuing life, it will be necessary to set them originally at comparatively low figures, possibly below the prevailing scale in the best factories, and it will be necessary to have considerable elasticity in the regulations. Experience with the minimum wage law for women indicates that there are many methods of evading the regulations and the greater the rigidity, the greater will be the temptation of some manufacturers to find those loopholes.

Any very radical innovations would merely serve to drive certain factories out of Ontario as well as to redistribute their location within the province.

Both manufacturers and employees must be prepared for many disappointments in the operation of the new minimum wage law. They must be prepared also to solve numerous baffling problems that will arise just as they have arisen under the National Industrial Recovery Act in the United States. But temperate legislation, reasonably enforced with the co-operation of management and labor, is an experiment decidedly worth trying.

RAILWAY PROPAGANDA AND ITS SOURCE

THERE is a very deliberate campaign on to undermine the policy of expense cutting on our railways. Scores of letters are appearing in the press condemnatory of every actual or projected economy in the operation of the two railway systems. Some of them claim that cooperation is proving a failure; others protest against the proposed merger of the express and telegraph systems of the two railways; still others are attempting to pile up a high barrier of public disapproval of amalgamation or unification.

The Financial Post has traced a number of these letters to their source and finds that they are written by railway employees, in most cases by members of local union committees.

No doubt an employee of Mr. Beatty's railway has as much right to write a letter to the papers opposing amalgamation as Mr. Beatty has to make a speech supporting it. No doubt, too, a C.N.R. employee should be as privileged to protest against a decline in railway employment as a result of pooling operations as Judge Fullerton or Mr. Hungerford would have to issue a statement supporting some such arrangement. The employee writing the letter takes a chance on incurring the displeasure of his employers but no doubt he relies on his union to protect him against punitive action.

But the freedom of speech of the railway employee is not the question. What is important is for the public to realize that the sudden blossoming of opposition to all economy measures on the railways is not the spontaneous expression of public opinion generally, but is, rather, a carefully directed campaign by members of the railway unions. There is nothing very wrong in the campaign so long as people understand it and so long as the letters present the facts accurately. This, unfortunately, is not true of all of them.

CEYLON SELLS TEA AS WE SHOULD SELL WHEAT

ONE day last week 17,000 people visited the booth of the Ceylon tea bureau at the Canadian National Exhibition. The whole purpose of the display is to interest Canadians in drinking more tea, and incidentally more Ceylon tea.

The exhibit is part of the larger campaign that the government of Ceylon is carrying on in Canada to increase the sale of tea.

Ceylon, with tea, is showing the way to Canada, with wheat. While our government, on behalf of the wheat growers, tinkers with a fatuous proposal to control the world output of wheat, nothing is being done by anyone to carry on a co-operative campaign in wheat-consuming countries to sell more wheat. We are doing nothing to stem the dietary tide away from wheat consumption; we are doing nothing to convince the world's buyers that we have the best wheat in the world to sell. Rather we are aiming at world agreements which assume first that there is too much wheat in the world—which is impossible while hordes are hungry—and that our wheat is not any better than any other country's wheat—which is simply not true.

THE CONSUMER IS MASTER

THE coolness and isolation of the Far North must be stimulating. In any event, after a summer in the Arctic, P. Ashley Cooper, governor of the Hudson's Bay Company, delivered at the Canadian National Exhibition in Toronto a forceful address that dispelled some of the smoke surrounding the subject of merchandising in Canada.

Evolution in business has been working toward one great objective, he said—"the greatest number of goods for the greatest number of people at the lowest possible price." And in the process of evolution, it is impossible to forecast what particular type of merchandising organization will survive, whether the individual store, the department store, the chain store or some other. The consumer is the master of all merchants and the consumer will decide the fate of each.

This is so plain and matter of fact a presentation of the matter that its importance may easily be overlooked.

The development of merchandising methods is not going to be determined by the raging of politicians or the analysis of economists but by the survival of the fittest to serve the public.

HOLDING THE MIRROR TO CRIME

THE public has a right to expect that its newspaper will mirror the news accurately and fairly. Politics and crime are the two subjects where the press has been weakest in that respect.

It is encouraging to note that some of the leading American newspapers are beginning to question the social desirability of devoting so much space to the more sensational crime news. Psychologists have long recognized that when the activities of gangsters and outlaws are presented in glorified form they stimulate unhealthy imaginations and unwholesome desires. They give, particularly to young children, a view of life and society that is wholly distorted. While the reply of the yellow journals has always been that they are merely holding up a mirror to the actual happenings of the day, their defense is the sheerest hypocrisy.

One edition of a middle west American newspaper recently had twenty-five articles on the front page, of which twenty-three covered crime news. Even in the United States crime is hardly 92 per cent of the life of the people. When John Dillinger, Jr., was shot he got at least half of the front page of the majority of American papers and one paper devoted its entire front page to the Dillinger slaying, with the exception of a small item about a local murder.

One of the standard text books on journalism, written by a Canadian, but used in American colleges, republishes a score or more of what the author considers typical well-written newspaper stories. Almost without exception they deal with crime, political scandal and similar unsavory subjects.

It may be argued that Canadian newspapers give less space to crime news because there is less crime in Canada to report. But a strong case can be made out for the contention that there is less crime in Canada because our newspapers do not overplay crime, do not make public heroes of public enemies, and do not often act in such a way as to hamper the police and the courts in the apprehension of criminals and the dispensation of justice.

There is a reaction from crime news in American papers and it is a healthy sign.

FOR HAPPIER LIVING

THE congestion in the down town sections of the larger cities of this continent, that has turned civilized people into swarms of jostling flies, is likely to be relieved by the developments of the next generation.

Already in American cities the tendency is for the larger department stores to establish branches in the outskirts of the bigger cities. Sears-Roebuck pioneered with this innovation, but department stores with a purely local sales interest have also branched out to the outskirts of large cities, where there is plenty of space for parking, where land can be bought cheaply and where shopping can be done in comfort.

Factories, too, are showing a tendency to decentralize. Henry Ford is giving powerful leadership to the movement to abandon huge concentrated manufacturing enterprises in favor of small plants tied in with the interests of local communities. Mr. Ford has always been the prime exponent of mass production methods but he recognizes today the social error of industrial congestion and urges a return to craftsmanship in factories located sufficiently far out that workers can make themselves in part self-supporting on the land.

Decentralization of industry and of the business sections of large cities means happier living.

MILLIONS FROM PANAMA CANAL; NOTHING FROM OURS

THE two daily newspapers published in Panama got out special editions to celebrate the twentieth anniversary of the opening of the Panama Canal on August 15 last. In one of them we read that since the canal was opened to the commerce of the world a total of 80,122 vessels have passed through. The United States government has collected $339,287,000 in tolls.

Throughout its history the canal has earned a substantial sum in addition to operating expenses, equivalent to somewhere between two and three per cent on the capital invested by the United States government in it.

Canada, however, continues to operate its canals free. Railways and other transportation interests pay heavily in their taxes to subsidize the operation of a competitive medium of transport.

EDITORIAL NOTES

Prof. Walter B. Pitkin has taken up farming and has probably discovered by now that work begins at 4.40.

* * *

The New York Times heading, "Fall of the Fergusons," relates to the Texas, not the Canada House family.

* * *

Theodore Dreiser says he is a Communist but goes on to add that he wants an equitable democracy. Then he cannot be a Communist.

* * *

It is now admitted officially that the Moosonee railway to James Bay, on which Ontario spent over $12,000,000 has no business in sight. Just another contractors' racket gone bad—and the taxpayer pays through the nose for it.

* * *

U. S. Secretary of the Treasury Morgenthau asks anyone who wants any further explanation of New Deal policies to write him. We would have to use parcel post to send him all the questions we have not seen answered yet.

* * *

This sudden rush of British admirals to Canada, which is to be followed by the mysterious visit of Sir Maurice Hankey, is pretty obvious "big navy" propaganda. Shareholders of munitions companies must be rubbing their hands expectantly.

Post-Scripts

THE philatelic editor of the New York Herald-Tribune tells the story of an early Canadian stamp that bore the likeness of a "commoner" and that brought about the resignation of the postmaster general of New Brunswick. In 1859 New Brunswick planned a new issue of stamps. Charles Connell, postmaster general, got bids on the stamps from a New York firm and, at their request, left the design of the five cent stamps to their artist. When the proofs arrived, he found that his own picture appeared on it. He made some protest but apparently not very vigorously and as there was little time to complete the issue the stamps were engraved and printed as planned.

Of course, when the news of the new five cent stamp came out there was a great pother about it in the newspapers. Eventually, Connell had to resign although he was later elected to the House of Commons. The stamp was never officially placed in use although a few passed around by Connell to his friends were used and are now much sought after by collectors.

* * *

A BRISK trade in diamonds has developed since foreign exchange restrictions in many countries made the transfer of private funds practically impossible.

Many wealthy Jews have left Germany to take up residence in other countries. A few have come to Canada to live. One of these revealed to a Canadian friend that he got his money out of Germany by means of diamonds. He converted his German holdings into cash and bought diamonds. He sold the diamonds in London for sterling and bought American funds with the sterling. It was not difficult to convert the American funds into Canadian money.

The transaction was expensive. The effect of the activity in diamonds has not been to narrow the spread between buying and selling prices. Diamonds have gone up in value in the countries with rigid foreign exchange control schemes and have declined in countries where the diamonds are being unloaded.

The fleeing capital is reduced by at least 25 per cent in the sweating process. But that is better than the alternative, which is to have the capital entirely locked up and possibly extinguished in time through inflation or confiscation.

* * *

THE TIMES, of London, has been carrying numerous letters from readers, discussing the modern use of English. There are two complaints that many readers apparently wish to air. One is the use of adjectives as nouns; the other, the use of nouns as adjectives. Of the latter abuse there are cited such frequently heard expressions as "mammoth display;" "luxury liner;" "mystery man."

But there are other points of criticism. The over-working of "far-flung" since Kipling wrote the recessional; the use of "tragic," "dramatic" "criminal" for events that are not really tragic, dramatic or criminal at all.

One of the writers to the Times fell into his own trap. He spoke of the use of certain expressions as "criminal" and another correspondent wanted to know "whether the liability he implies exists at common law or is the creation of statute, and whether the offense of which he complains is punishable on summary conviction, or only upon indictment."

A further peculiar amusing error is made by a correspondent who blames it all on the headline writers who are forced to find short words to take the place of long ones. And as an example he cites "mammoth" which is frequently used as an adjective in the sense of "gigantic." Spelled out on the typewriter "mammoth" is not as long as "gigantic." But newspaper headlines are not set up on a typewriter.

They are set up in type. Each letter varies in width and the letter "m" is wider than the letter "i." "Mammoth" is actually longer than "gigantic" as we can prove:

MAMMOTH
GIGANTIC

Perhaps all of these indignant correspondents forget that each generation rewrites the English language to its own taste. And that is what gives it its flavor.

Sayings of the Week

"We must become a warlike nation."—*Benito Mussolini.*

* * *

"I am pessimistic of the future of this air age."—*Stanley Baldwin.*

* * *

"A Scottish accent is an enormous advantage to a speaker."—*Lord Ponsonby.*

* * *

"I wonder what American industry is second to the relief business?"—*Franklin P. Adams.*

* * *

"The Nazi régime benefits from the fact that its atrocities overstep the limits of credibility.—*Princess Elizabeth Bibesco.*

* * *

"Those who say that to ensure peace we must prepare for war must remember what happened before 1914."—*Viscount Cecil.*

* * *

"We are more easily moved by emotion than we are by logic and while most of us are honest, all men are liars."—*Alex M. Miller, director of advertising, Chrysler Corp. of Canada.*

* * *

"Neither nature or human beings can be hurried. Revolutions may move ten steps forward but they move nine paces back."—*Alex M. Miller, director of advertising of the Chrysler Corp. of Canada.*

* * *

"A country which so bears itself that its tourist visitors return to it as friends is not merely adding to its economic resources. It is adding also to the armaments of peace."—*Sir Stephen Tallents.*

* * *

"The opus 'The Coming American Boom' has caused a violent flutter in lower Manhattan. A more appropriate title for a sound appraisal of all the facts would be 'The Coming American Bust.'"—*Joseph Stagg Lawrence, editor, Review of Reviews Weekly Message.*

As Others See Us

Holding Their Jobs
Winnipeg Free Press

Dealing with the wheat agreement The Financial Post recently said, "If the agreement breaks up entirely, the jobs of some of the permanent officials administering it will disappear. Maybe this explains some of the desperate efforts to keep it alive." The same idea has occurred to a good many people.

Apparently, Not Good Enough
Canadian Railroad Employees Magazine

The Financial Post tells those who think that laws can curb the capitalist snake just where they get off:

"In the meantime, 90 per cent or more of Canadian industries will continue to pay wages as high as conditions will permit, and they will do so without regard for legislation or the prospect of it."

There are not many "s's" in that sentence, but it hisses just the same.

Must Take Heed
Sackville Tribune

The Financial Post in the course of an editorial in its issue of August 4 says:

"The Ontario Government is giving a new force and meaning to economy in public affairs. No other Government can afford to neglect the example that is being set."

"A policy of retrenchment can be worked out that will not impose serious hardships on the Civil Service. The longer the measure is postponed the more drastic will be the action that will have to be taken. For eventually, greater economy must come."

The above paragraphs strike at the root of our troubles. Let Governments take heed if they wish to survive.

Mr. Stevens Should Withdraw
Brockville Recorder-Times

It is reported from Ottawa that when the Stevens commission reassembles, Liberals serving upon it will refuse to serve under the chairmanship of Mr. Stevens and demand that some person less inclined to prejudge the conclusions of the commission shall take his place.

Very properly, we think, The Financial Post joins in this demand and says that "how Mr. Stevens can possibly continue as chairman of the Royal Commission on Price Spreads and Mass Buying is hard for any fair-minded person to understand."

It seems quite clear that Mr. Stevens's unauthorized publication of the booklet, with its distribution among various influential newspapers on both sides of the border, was a political blunder of considerable magnitude which will prove embarrassing to some of his associates. It is more important, however, that the shortsighted publication of this booklet, the withdrawal of which has caused it to be given much greater attention possibly than it deserves, has visibly affected the usefulness of the Royal Commission, leading to a demand that Mr. Stevens should withdraw from its chairmanship before its hearings are resumed. The work before the commission is too important to have it made the "laughing stock" in which The Financial Post pictures it.

Other People's Views

Rousing an Old Bogey?
Le Devoir, Montreal

The campaign for Dominion aid to a bigger British navy has recommenced. Canadians will do well to follow its progress in the newspapers and in the public speeches. It interests us a great deal. Do not let us suppose that the economic crisis will be any obstacle to its development. But in this matter past experience should be of some benefit to us. Let us be heedful of it, and be on our guard.

The Stevens Pamphlet
Saint John Telegraph-Journal

Certainly the procedure followed in the distribution of this document is quite unusual. It must be remembered that it deals with evidence taken before a committee of the House of Commons which was continued as a Royal Commission during the life of the last parliament. Consequently, the investigation is unfinished. In Canada, at least, it has not been the practice to comment on evidence taken before such a body until the findings of the investigation have been definitely reached and disclosed.

Why Bother?
Northwestern Miller

The grain and flour trades of Canada are at a loss to understand the fact that John I. McFarland, government agent in charge of the wheat surplus of this country, is again on his way to London to urge international restriction of the production of wheat. With the certainty of much shorter crops this year in Europe and North America, it does not appear that anything further needs to be done in the way of international action of this kind. Nature has stepped into the breach and arranged in her own way that there will not be too much wheat in the world from now on. On the contrary, humanity will be lucky if it does not run into a shortage even more disastrous than the recent surplus. In any event, there is a general feeling in the grain trade that the farce of wheat production control has been carried far enough. It was never anything more than a piece of play-acting staged for the benefit of gullible people who always work themselves into a panic over situations in which more sensible persons know there cannot possibly be any effective control.

Amending the Constitution
Winnipeg Free Press

It is many years since the Free Press began to urge the necessity for setting up machinery by which the British North America Act, which represents the written part of our constitution, could be amended at the instance and the will of the Canadian people. For a long period of time the Free Press had the distinction of being virtually alone in its advocacy of this change; and its singularity in this respect earned for it the reward of the innovator. Here, to reactionaries and stick-in-the-muds, was the conclusive proof of perversity of view, the fatal disposition to revolutionary doctrines which it was their delight to charge against this family journal.

The Mail and Empire which, now that Mr. Bennett thinks the constitution should be amended, is doubtless getting ready to applaud his action as the final revelation of his superb capacity for statesmanship, was periodically horrified at the red radicalism of the Free Press. Our files remind us that just after Mr. Bennett came into power the Mail and Empire, feeling that the time was propitious for putting all the troublers of Israel in their place, made a peremptory demand "that there shall be an end of tinkering with a constitution which represents a contract between the provinces—a contract ratified by the Imperial Parliament and embodied as the British North America Act."

Brains Will Solve Problems
Country Life in B. C.

President R. S. Law, of the United Grain Growers Limited, the great co-operative of the farmers on the Canadian Prairies, was looking out of the skyscraper branch office of his company in the City of New York. He was thinking of two things at the same time, not always an easy matter but, in this instance, quite possible. He was pondering the problem of the world depression and he was looking at the mountain range of huge buildings that spread out before his eyes in Lower Manhattan. He related these tremendous structures to his train of thought and he relaxed, mentally and physically, for he formed this conclusion in his mind:

"Surely, brains such as those which conceived and constructed these and other mighty projects can solve this economic problem."

Mr. Law told his experience to Country Life at the recent Alberta Marketing Conference at Olds and he added:

"That picture persists in coming before my eyes. It haunts me and yet it stimulates me. We have the brains in this world to solve this problem and constantly and in increasing force these brains are attacking it. It will be overcome. We see evidence of progress in this direction in every country."

Mr. Law's philosophy is sound. Conjure it up in the darkest moments and it will help in biting the bullet.

No Bending of Knee
Forbes

A well-known New York banker died recently. Newspapers printed eulogies of him. This writer wrote here a brief comment to the effect that, because of his own experiences and first-hand knowledge of the banker's real self he could not join the paean of laudation. Now comes a sequel illustrating how certain monied interests imagine they can punish and perhaps browbeat any publication daring to be other than obsequious.

The banker's firm brought out an issue of securities the other day. For years this publication carried the advertising of such flotations. But a member of the banking firm quite frankly informed Forbes that, because of its reference to their deceased partner, this publication need expect no more business from them.

Many people complain that the press is subservient to capital and capitalists, especially that powerful bankers are able to muzzle many publications. The truth is that few, if any, publications of standing and responsibility kow-tow to high finance, big business, or any other interest.

The incident here related would suggest, however, that a certain species of bankers are not above trying to "punish" any publication which dares to be critical, outspoken, unafraid. Forbes is entirely unrepentant, entirely uncowed. Neither its recommendation nor criticism, neither its speech nor silence, can be either bought by giving it business or by withholding business.

A Useless Publication
Bowmanville Statesman

A large proportion of the advertising in the Ontario Gazette, the official publication of the Ontario Government, is illegitimately taken from the newspapers of the province.

The Gazette is purely an advertising sheet, maintained for revenue purposes. It therefore is not a legitimate paper under the postal rules the newspapers have to obey.

In the July 7th issue there are 137½ pages of tax sale advertising out of the total of 156 pages. This revenue legitimately belongs to newspapers, and the work to printers on newspapers. But the Ontario Gazette takes it all to Toronto.

The Ontario Gazette gives no value for the money it gets from tax sale advertisements. It has next to no circulation. Thus the unfortunate whose lands are sold for taxes has another bill added to his hopeless load—that and no publicity worth the name.

If the advertising were to appear in a local newspaper, which covers the area in which the tax sale lands are situated—and where all potential buyers of the lands live—the man whose lands are seized would get a better show, and the municipality a better chance to get its taxes.

New Books

PRACTICAL EVERYDAY CHEMISTRY, edited by H. Bennett, editor-in-chief of the Chemical Formulary. Published by the Chemical Publishing Co., 1450 Broadway, New York at $2.50.

The average man yearns to know what is in some of the products for which he pays his druggist what he considers an exorbitant price. He has heard many stories of two cents worth of alcohol and coloring matter being sold for a dollar and wants to know if they are true.

"Practical Everyday Chemistry" supplies part of the answer. It is a volume giving formulae for making hundreds of products in everyday use including cosmetics, beverages, adhesives, drugs, inks, lacquers, lubricants, tooth powder, polishes, soap, waxes, etc. The book is an obvious "natural" for the man who dabbles in chemistry. It should also be very useful for merchants and small manufacturers as a quick reference to formulae for products in frequent demand.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

Inquiries may be made to our nearest Branch

A. E. AMES & CO.
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Business Established 1889
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Upon request we shall be glad to mail you a copy of our September Bond Letter with investment recommendations.

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HUMAN NATURE

MONTREAL TRUST COMPANY
YOUR PROTECTION

No man can be expected to give greater attention to other people's business than to his own—the other man's business must be of secondary consideration. Through a Trust Company an Estate receives the thoughtful management which only experience and specialization can ensure.

MONTREAL TRUST COMPANY
Head Office . . . . Montreal
Western Offices:
WINNIPEG — EDMONTON — VANCOUVER
Toronto Office, 61 Yonge St.
J. F. HOBKIRK, Manager

Established in 1889 by the Late J. P. Langley, F.C.A.
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
McKINNON BUILDING - TORONTO, ONT.

COTTON
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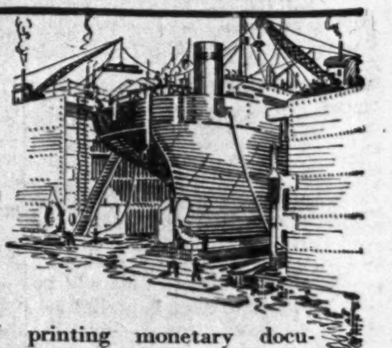
Basic raw materials for many Canadian Industries.

DOMINION TEXTILE
Company Limited
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

Up the Years with
CANADA'S SHIPPING



Behind the launching of every ship for Canada's lake and ocean traffic, has been Capital secured through the issue of bonds, stocks and other securities. This Company has been identified with such financing from the Dominion's earliest days, engraving and printing monetary documents to facilitate the development of the Country's great waterways transportation industry.

Whatever the need for engraved securities, this Company is equipped to provide expert craftsmanship and prompt, dependable service.

British American Bank Note
1866 Company, Limited 1934
Howard W. Pillow, *Pres.*; Chas. G. Cowan, *Vice-Pres. and Man. Dir.*; G. Harold Burland, *Sec.-Treas.*
1110 Bank of Hamilton Bldg. TORONTO
HEAD OFFICE OTTAWA
511 Place d'Armes MONTREAL

The Week in Business

Retail Business Better

ALTHOUGH retail business has not, as yet, recorded the advance in turnover experienced by manufacturing, an improvement of about ten to fifteen per cent is being recorded by most retailers of staple lines. As far as Ontario is concerned this improvement is fairly widespread, chain stores with branches throughout the province reporting that improvement is much the same in all districts. It would appear that the lower buying power of certain farmers due to small crops is being more than offset by greater factory employment and higher prices for farm produce.

Many insurance salesmen with prospect lists of salaried employees report a disappointing summer but some improvement is being noted in the past few weeks. Few business concerns are as yet showing sufficient increase in profits to warrant return of salary cuts with the result that many salaried employees are still in the same position as they were at the depth of the depression. Industrial insurance has, however, received a considerable stimulus from the greater factory employment.

* * *

Record Car Loadings

CAR loadings during 1934 have been well above 1933 loadings each week and, for the majority of the time, above 1932 loadings; but the total of 48,220 cars for the week ended Aug. 25 was the first to exceed the 1931 total which, for this week, was 47,495. These were the heaviest loadings so far in 1934, and the index number also reached a peak at 78.65 as against the previous high of 77.45 in April.

Heavy loadings of grain in the western division were an important factor; the increase being 3,939 cars over the previous week. Coal also increased by 252 cars in the western division, ore by 148 cars, merchandise by 104 cars and miscellaneous by 188 cars and the total of 19,103 cars was up 4,555 cars. The eastern division showed a decrease of 163 cars, grain, coal, pulp and paper and miscellaneous being lighter than for the previous week.

* * *

Food Prices Rising

THE decline in employment which was recorded at August 1 from the beginning of the previous month was chiefly due to a considerable reduction in the number of persons employed in highway construction, mostly relief workers. As far as manufacturing was concerned, lower activity in textile and iron and steel factories was more than offset by seasonal improvement in plants manufacturing foodstuffs, particularly canning and preserving operations.

Small packs of many fruits and vegetables combined with lower carryovers are likely to result in some increase in prices of canned goods this winter, according to Canadian Grocer, Toronto. Other foodstuffs are already showing an upward tendency in price, domestic produce such as flour and fresh fruits being short, while N.R.A. operations in the United States have increased quotations for Californian dried and canned fruits.

* * *

Sees Autumn Expansion

SURVEYING business activity in Canada during the second and third quarters of the year, the current issue of the Royal Bank monthly letter predicts an autumn expansion of more than seasonal proportions unless there is an adverse turn in foreign affairs which would depress business in all parts of the world. Lack of any marked activity in the durable goods industries is seen as the only black spot in the current Canadian situation, the letter stating as follows:

"Business activity in Canada during the second and third quarters of 1934 has maintained a level well above that achieved in 1933. In spite of the drought which has wrought widespread havoc in the West, and in spite of the continued inactivity in the durable goods industries that is responsible for the unemployment in the cities, there is strength and stability in the trend toward recovery. Higher prices for wheat, heavy production of newsprint, exports of lumber to Great Britain greatly in excess of the record exports of last year, electrical energy generated in record volume, and a steady improvement in the financial situation as indicated by the continued advance in the prices of bonds, constitute important features in the Canadian business scene."

* * *

Confusion in U. S. A.

FURTHER confusion is being experienced in the United States as proposals and plans for combatting the drought crisis, the decline in business activity, labor troubles and the unsettled exchange situation are aired. Without attempting to judge the merit of these schemes it is certain that the situation is such that business remains afraid to move sharply either up or down. "Drifting" probably describes United States business at the present time as judged by activity—or rather lack of it—in stock and commodity exchanges throughout the country.

Failure to reach any agreement which would prevent nearly a million persons from being involved in the greatest textile strike in history was a blow to the U.S. federal administration. Those members of the daily press which have been antagonistic to the N.R.A. and the Roosevelt rule found in the failure an excellent chance to berate the government and predict its early fall.

* * *

Coal Exports Prospect

POSSIBILITY of increased export of coal and coke to the United States is seen as a result of the enactment of the United States Trade Agreements act which has repealed the countervailing duties on both of these commodities. Both coal and coke now enter the United States free, a fact which may restore to Canadian producers a market that twelve years ago had a volume of 1,000,000 tons annually. Most of the coal going to the United States is from the British Columbia and Alberta mines.

Prior to 1922, bituminous coal entered the United States free from Canada, the annual total being about 1,000,000 tons. The United States tariff act of 1922 placed a duty of 50 cents a ton on bituminous coal and exports declined to around 400,000 tons. In 1930, a duty of 75 cents a ton was imposed and since then somewhat less than 175,000 tons have been exported annually.

Government, Municipal and Corporation Bonds

List of offerings, or current quotations on any issues, furnished promptly on request.

Royal Securities Corporation
Limited

244 St. James Street
MONTREAL

330 Bay Street
TORONTO 2

Offices throughout Canada; also in New York and London.

Business Conditions in Canada

LESS RELIEF WORK CUTS EMPLOYMENT AT AUGUST FIRST

Manufacturing Busier as Food Factories Active

Although the number of persons employed at August 1 was smaller than at the beginning of the previous month, as measured by the Dominion Bureau of Statistics' employment index, the fact that the bulk of the decline took place in highway relief work reveals the situation in a better light. After adjustment for seasonal tendencies, the index of employment in all industries was 95.2 at August 1 as compared with 96.7 at the beginning of the previous month and 83.0 a year ago.

In addition to the decline in employment in highway construction, retail trade, logging and some branches of factory employment, notably in textile and iron and steel plants, were seasonally slacker. On the other hand, manufacturing as a whole, mining, communications, transportation, building and railway construction and services reported heightened activity. Employment in all of these industries, except communications, was in greater volume than a year ago.

Gain in Maritimes

Activity increased in the Maritime Provinces, Quebec and British Columbia, but there were reductions in personnel in Ontario and the Prairie Provinces. The decline in Ontario was chiefly accounted for by a considerable reduction in the number employed in highway construction. Employment in all five economic areas was in greater volume than at August 1, 1933.

Employment increased in five of the eight cities for which separate tabulations are made. Quebec, Ottawa, Hamilton, Winnipeg and Vancouver reported improvement; in Windsor and adjacent border cities there was little general change, while in Montreal and Toronto curtailment was indicated.

Survey By Cities

Survey of employment in the leading cities and in the Maritimes, in which none is located, follows:

Maritimes—The index at 101.3 was eight points higher than a year ago. Improvement from July 1 was noted in iron and steel plants, coal mining and construction. Fish preserving, textile and pulp and paper factories were slacker.

Montreal—Building, leather, food and musical instrument factories registered improvement, but textile, clay, stone, glass and iron and steel plants showed reduced activity and there were also declines in shipping and trade.

Quebec — Improvement was reported from July 1 with manufacturing, transportation, construction and services advancing.

Toronto—There was a falling off, largely seasonal, chiefly in manufacturing and retail trade. Wholesale trade and construction showed improvement.

Ottawa—Employment in Ottawa advanced, chief gain being in construction. Trade and manufacturing showed a slowing-down.

Hamilton — Increases in food manufacturing more than offset losses in textile and iron and steel plants. Fluctuations in other industries were slight.

Windsor—Little general change noted. Automobile and iron and steel works reduced their staffs while other factories were busier.

Winnipeg—Increased staffs were indicated by a good gain in construction and smaller gains in other industries except transportation and manufacturing, which remained about the same as at July 1.

Vancouver—Manufacturing, transportation, construction, services and trade showed improvement, that in factory employment being mainly in the food industries.

Contract Awards Up 43 Per Cent Over Last Year

Construction contracts awarded in August gained 18 per cent over the previous month and 43 per cent over Aug. a year ago, government sponsored work taking a prominent place in the totals. With the exception of Prince Edward Island and British Columbia, all provinces shared in the gain over last year. Contracts awarded during the month amounted to $13,543,900 as compared with $11,190,500 in July and $9,479,900 in August, 1933, according to MacLean Building Reports, Toronto.

Quebec led all other provinces in August with a total of $4,918,400, followed closely by Ontario with $4,217,200. New Brunswick made the best showing as in comparison with 1933, contracts being more than ten times greater at $1,837,000.

Contracts Awarded By Provinces

	Aug., 1934 $	July, 1934 $	Aug., 1933 $
P. E. I.	46,800	59,500	78,000
N. S.	609,200	670,200	258,000
N. B.	1,837,000	717,300	173,000
Que.	4,918,400	3,086,300	3,586,600
Ont.	4,217,200	4,904,000	2,894,700
Man.	847,600	526,100	322,500
Sask.	198,000	375,700	96,900
Alta.	414,100	330,000	385,700
B. C.	455,600	521,400	1,682,500
	13,543,900	11,190,500	9,479,900

Large Awards

Largest individual award in August was for the general post office in Montreal, the total being $1,475,000. There were a number of other large awards as shown in the following table:

Large Awards in August, 1934

	$
Montreal, P.Q., gen. post office..	1,475,000
Moncton, N.B., post office	435,850
Three Rivers, P.Q., wharf shed, roads, etc.	370,000
Toronto, Ont., garage	300,000
Fort William, Ont., public bldg.	290,925
Westmount, P.Q., school	150,000
Port Arthur, Ont. extn. to breakwater	139,250
Burlington, Ont., waterworks ..	130,000
Temiskaming, P.Q., renewing pipe line	125,000
Dartmouth, N.S., ferry boat	122,700
Ottawa, Ont., office bldg.	115,000
Toronto, Ont., bridge	107,400
Three Rivers, P.Q., warehouse .	100,000

Accountants Will Hear Address on Central Bank

An address by Dr. W. C. Clark, Deputy Minister of Finance, on "The Bank of Canada" will feature the annual banquet of the Dominion Association of Chartered Accountants on September 7. The annual convention of the association is being held in Montreal, September 4 to 7. Meetings of the executive and subsidiary councils will occupy the first two days of the convention, general sessions being planned for Sept. 6 and 7.

The president's address and reports of the constituent societies and Dominion association committees will be given on Sept. 6. On the following day addresses at the general sessions will be given by Alfred B. Shepard, Toronto, H. L. H. Hill, London, Eng., J. Gray Mundie, Winnipeg and A. J. Foster, Vancouver.

Business Briefs

Car Loadings in the week ended August 25 amounted to 48,220 cars as compared with 43,828 in the previous week and 41,887 in the corresponding week of 1933.

Imports of Raw Rubber in July amounted to 5,442,703 lbs. as compared with 4,946,790 lbs. in June and 2,669,765 lbs. in July, 1933.

Wabasso Cotton Co. Meeting Purely Formal

From Our Own Correspondent

MONTREAL. — Wabasso Cotton Co.'s annual general meeting was of a routine character. The following were elected directors: R. N. Ball, K.C., Woodstock, Ont.; Wm. I. Gear, Montreal, Que.; Wm. Harty, Kingston, Ont.; Hugh MacKay, K.C., Montreal, Que.; Jas. W. Pyke, Montreal, Que.; C. R. Whitehead, Three Rivers, Que., and W. J. Whitehead, Three Rivers, Que.

At a subsequent meeting, C. R. Whitehead was elected president; Jas. W. Pyke, vice-president, and W. J. Whitehead, Three Rivers, managing director.

10% INCREASE IN BANK DEBITS SHOWN IN JULY

Money Transfers Up 9% in Seven Months Over 1933

Transfers of money through the 32 bank clearing centres of Canada were 10 per cent higher in July than in June after seasonal correction, according to statistics of banks debits to individual accounts released by the Dominion Bureau of Statistics. Increases were shown in each of the five economic areas of Canada.

Compared with July, 1933, there was a decline of 21.6 per cent in debits, attributed chiefly to a lower level of speculative activity, particularly in Toronto, Montreal and Winnipeg.

Seasonally adjusted increases in debits in July over June figures showed the following gains: Maritimes, 15.3 per cent; Quebec 8.6 per cent; Ontario 13.2 per cent; prairie provinces 8.9 per cent, and B.C. 10 per cent.

Seven Months Figures

Bank debits in the first seven months of 1934 at $18,210,000,000, compared with $16,723,000,000 in the same period of 1933, indicated a gain of nearly nine per cent. Each of the five economic areas except the prairie provinces participated in the increase. The gain in the Maritime provinces was 12.3 per cent, Moncton showing the largest percentage gain.

Debits in Montreal were $5,012,000,000 in the first seven months of 1934, showing an increase of nearly 14 per cent over the same months of last year. The gain in the provincial total for Quebec was 13.1 per cent. Eleven of the thirteen centres of Ontario showed gains in this comparison, the total for the province being up 13.5 per cent. Toronto showed a gain of 12 per cent, while Ottawa and Hamilton recorded increases of 28.7 per cent and 15.1 per cent, respectively. While seven of the ten centres in the prairie provinces showed gains over the first seven months of last year, the total for the area declined 6.6 per cent. Winnipeg was down 8.6 per cent, a gain of four per cent being shown in Regina.

The gain in Vancouver was 12.8 per cent, while the total for British Columbia increased 10.5 per cent.

Bank Debits at the Clearing House Centres of Canada

Clearing Centres:	July, 1934 $	July, 1933 $
Maritime Provinces:		
Halifax	30,816,790	22,819,701
Moncton	7,213,814	5,492,554
Saint John	14,955,398	14,663,791
Total, Maritimes	52,986,002	42,976,046
Quebec:		
Montreal	744,057,714	865,123,828
Quebec	55,742,538	45,049,292
Sherbrooke	5,514,353	5,907,506
Total, Quebec ..	805,314,605	916,080,626
Ontario:		
Brantford	7,404,856	8,117,677
Chatham	4,921,467	5,907,674
Fort William ...	4,192,025	4,081,545
Hamilton	43,218,921	42,999,577
Kingston	4,212,016	5,405,904
Kitchener	8,784,436	8,459,878
London	26,657,466	28,669,195
Ottawa	149,134,783	124,633,905
Peterborough ...	4,947,606	4,982,309
Sarnia	6,576,695	8,441,616
Sudbury	4,431,985	3,911,273
Toronto	839,676,253	1,158,167,088
Windsor	16,975,840	19,897,677
Total, Ontario ..	1,121,129,149	1,423,675,318
Prairie Provinces:		
Brandon	2,608,310	2,882,689
Calgary	52,273,054	63,683,283
Edmonton	32,110,971	34,260,914
Lethbridge	3,257,330	3,437,012
Medicine Hat ...	2,040,698	2,258,730
Moose Jaw	4,376,286	5,155,706
Prince Albert ...	1,616,821	1,514,749
Regina	32,861,894	45,072,036
Saskatoon	8,593,630	9,214,155
Winnipeg	507,164,720	831,694,680
Total, Prairies ..	646,903,714	999,173,963
British Columbia:		
New W'minster .	4,799,703	4,770,425
Vancouver	114,694,670	117,790,494
Victoria	21,572,435	23,357,215
Total, B. C.	141,066,808	145,918,134
Grand total	2,767,400,278	3,527,824,087

EXPORT MARKETS IN LATIN AMERICA MUCH RESTRICTED

Action by Governments Has Eliminated Need of Many Imports

Although there has been a general improvement in business in Latin American countries during the past year it is doubtful if that market will be available for Canadian exporters for some time, it is pointed out in the current issue of the Royal Bank monthy letter. During the past four years of depression, it is pointed out, policies have been initiated by Latin American Governments which have resulted in making many former imports unnecessary and it may be some time before new requirements take the place of former necessities.

Describing the gains which have taken place, the letter states:

"Gains in economic indices have been general, internal purchasing power has increased, financial conditions have shown improvement and the volume of manufacturing and construction has risen. In addition to this resurgence of national economic life, the increase in world prices for wheat, coffee, sugar, cotton, petroleum, tin and other Latin American products, has stimulated export trade and practically restored the favorable balance of international payments."

Three Steps Taken

The three apparently divergent, but actually supplementary, courses which have been taken by the governments in a general move toward greater economic nationalism, are described as follows:

"The measures which naturally fall under the first heading, that of deliberate trade restrictions, included sharp advances in tariffs, foreign exchange restrictions, and finally, actual control of the volume and variety of imports. Every country in Latin America has used one or more of the above devices, and in many countries all of them were employed.

"Under the second heading, that of the desire to secure economic independence, comes a greater variety of acts tending to foster local industries and tariffs designed to protect locally-manufactured products, or reductions in tariffs with a view to permitting imports of machinery and raw materials for the use of national industries. Systems of crop diversification permitted home-grown products, particularly food stuffs, to replace goods formerly imported.

Little Government Spending

"Government control of economic life under the plans described above has included certain positive aspects, such as highway and other public construction, development of electric services and diversification of industry, but in the main it has been restrictive and negative in its policies.

"Under the third heading, those measures designed to stimulate a regeneration of foreign trade, come a number of trade and exchange treaties with other countries. These countries discovered that while foreign exchange restrictions had served their purpose of reducing the volume of import trade, the maintenance of artificially high exchange rates had reduced the volume of exports. More recently, as conditions improved, Argentina, Brazil, Colombia and Uruguay sought to obviate this difficulty by lifting some of the restrictions on foreign exchange.

Commodity Prices

PROBABILITY of further inflation overhung United States commodity markets last week and, despite dull trading, most of the important markets advanced. Stronger control methods instituted by Latin American countries combined with the inflation threats resulted in advances in coffee and tin.

Export demand at Winnipeg remains barely sufficient to offset the volume of hedging sales and little general price change has occurred during the past week.

Domestic commercial markets were strong with good overseas demand being experienced for hogs. The butter surplus situation is causing some concern but other authorities think that the probable heavy reduction in production during the winter months will solve the problem.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.00	$5.70	$5.00
Copper, lb.	.09	.09	.09
Cotton, lb.	.1335	.1350	.0945
Rubber, lb.	.1569	.1575	.0719
Sugar, raw, lb. ..	.0335	.0324	.0356
Silk, lb.	1.17½	1.17½	1.90
Wheat (Man.) bu..	.80½	.82⅛	.69⅜
Coffee, lb.	.09½	.09⅛	.07½
Hogs	9.40	9.40	7.50
Weekly Indices			
N. Y. Annalist ...	120.7	118.5	102.0
Fishers'	78.5	77.8	†63.6
N. Y. Journal of Comm.	79.0	77.6	69.9
Crumps (Brit.) ...	65.4	65.4	†63.4
U. S. Labor	76.1	75.4	69.3
Canada (D.B.S.) ..	72.2	72.3	....

† Average 1933.

Monthly Indices

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
Retail (July)	78.4	78.2	76.9
W'sale (July) ...	72.0	72.1	70.5
U. S. Labor (July).	74.8	74.6	68.9
Gt. Brit. (June)	69.9	69.1	68.6

Note: Indices on all base 1926 — 100, except N. Y. Annalist which is 1913 — 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

B. V. D. Co. Formed With Stewart Interests

Merging of the Canadian interests of the B.V.D. Co., Inc., originator of the B.V.D. trademark and large manufacturer of underwear, pyjamas and other garments, and the D. H. Stewart Co., makers of shirts and importers of hosiery, etc., was recently announced. The name of the new company is the B.V.D. Co,. Limited, headquarters being in Montreal.

D. H. Stewart, founder of the Canadian company bearing his name, is the president of the newly formed company and the entire personnel of the former D. H. Stewart Co. will form the nucleus of the expanded organization.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest — 1934	1933	— Cumulative Total — Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Aug. 25)	▲48,220	41,887	1,442,808	1,218,599
C.P.R. gross earn. (Aug. 21) ..	$ 2,331,000	$ 2,171,000	$ 74,909,000	$ 65,441,000
C.N.R. gross earn. (Aug. 21) ..	$ 2,929,899	$ 2,923,648	$ 101,994,581	$ 84,889,720
Business Conditions—				
Weekly index D.B.S. (Aug. 25)	▲98.1	......	......	......
Business failures (No.) (Aug. 18)	14	17	628	1,059
MONTHLY DATA				
Business Conditions—				
Financial Post index (July)* ..	98.6	84.3	......	......
Transportation—				
C.P.R. net earnings (July)	$ ▲1,511,481	$ 1,368,380	$ 9,565,894	$ 6,229,521
C.N.R. net revenue (July)	$ 688,445	$ 820,466	$ 5,066,986	$ ‡2,158,515
Iron and Steel (July)—				
Pig iron production (tons) .	37,306	857	157,827	36,210
Steel ingot prod., (tons)	64,013	31,602	397,502	130,464
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	▲5,341	4,574	49,220	30,096
Factory output (July)	11,114	5,322	78,198	38,181
Trucks and Buses:				
Domestic sales* (July)	▲1,107	572	7,671	3,503
Factory output (June)	3,095	1,318	14,900	5,403
Exports (June)	5,477	1,801	26,287	8,092
Construction—				
Building permits (July)	$ 3,219,086	$ 2,180,403	$ 13,435,928	$ 12,496,402
Contracts awarded (Aug.) ...	$ ▲13,543,900	$ 9,479,500	$ 85,651,100	$ 55,043,800
Newsprint (tons)—				
Production (July)	208,238	180,387	1,468,871	1,074,874
Exports (July)	212,845	167,302	1,353,298	974,539
Sugar (lbs.)—				
Melting & shipments§	▲100,372,675	95,927,975	422,127,749	432,449,942
Manufactured§	▲95,041,690	88,069,347	411,448,713	425,380,281
Flour (bbls.)—				
Production (June)	▲1,127,477	1,186,006	6,600,671	6,242,386
Wheat flour exports (July) .	408,028	492,765	2,941,639	3,057,427
Trade (July)—				
Imports	$ 44,144,509	$ 35,698,380	$ 291,534,359	$ 203,619,494
Exports	$ 56,121,112	$ 51,345,011	$ 345,780,173	$ 257,438,948
Wheat exports (bush.) (July)	12,979,231	16,373,532	77,701,271	99,742,109
Employment (Aug. 1) D.B.S. Index—				
All industries	▲95.2	87.1	......	......
Manufacturing	▲91.4	85.2	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	1,621,314	1,442,660	11,992,789	9,527,608
Aver. daily (July)	▲52,300,000	46,537,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (July)	140,000	116,179	765,655	373,357
Boot & shoe prod., pr. (June)	1,723,141	1,965,647	9,286,593	8,823,892
Crude petrol. imp., gal. (July)	116,883,000	118,271,494	545,173,292	481,537,893
Cotton imports, lbs. (July) ..	8,281,000	9,790,600	80,904,000	50,556,000
Raw rubber imp., lbs. (July)..	5,443,000	2,670,000	36,423,087	18,748,876
Coal imports, tons (July)	1,545,787	1,239,009	6,746,710	5,170,988
Finance—				
Bank debits† (July)	$ 2,767,000	$ 3,527,824	$ 18,209,712	$ 16,723,096
Bond sales (July)	$ 66,477,100	$ 77,499,533	$ 256,259,772	$ 206,785,996
Life insurance sales (July) ..	$ 33,951,000	$ 33,006,000	$ 223,092,000	$ 224,763,000
Automobile Financing—				
Used cars (June)	$ 1,798,568	$ 1,156,450	$ 7,012,154	$ 5,832,511
New cars (June)	$ 2,449,214	$ 1,244,699	$ 9,619,990	$ 5,682,302

†000's omitted. ‡Deficit. §For 4 weeks to August 11.
*D. B. S. All-Canada figure comprising over 90% of the Canadian total. *Final.

INTER-EMPIRE TRADE

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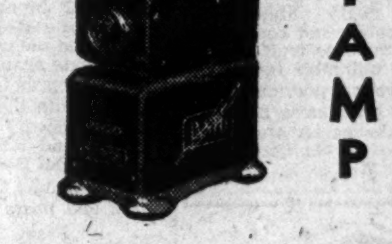

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RIPPLES A POOL

COURTAULDS
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THE BENEFITS contributed to the Canadian industrial scene by Courtaulds (Canada) Limited can be aptly likened to the dropping of a stone into still waters. A splash, and the surface breaks into a series of ever-widening, ever-increasing ripples circling out from the source, adding momentum each to the other as they grow.

So, does Courtaulds (Canada) Limited contribute endlessly to Canada's Industries. In the mines, in the forests, in the quarries of Canada, in the power industry, the chemical industry, the machinery industry, in our transportation systems, the effect of Courtaulds activity in manufacture and in expansion construction programs is amply and profitably felt. Likewise do thousands upon thousands of Canadian workers benefit directly and indirectly.

Rayon is one of the important commercial developments of recent years. It is our only 100% Canadian textile. To date rayon has done much for Canada industrially and commercially and in the future it will do even more.

COURTAULDS CONTRIBUTION
To Canadian Industry

Floorarea of Courtaulds plant approximately 650,000 squarefeet, including new unit.

Paid in salaries and wages in 1933—$1,500,000.

Number of employees prior to operation of new unit 1450.

Over $100,000 was paid for electric power used during 1933.

Over 9000 individual electric motors now being utilized.

Purchases of Canadian raw materials in 1933 amounted to $850,000.

Courtaulds (CANADA) LIMITED
PC8

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DISCOUNT CLAIMS MARKETING BOARD POWERS DOUBTFUL

Board Continues Duties—Considers Tobacco Scheme

From Our Own Correspondent

OTTAWA—Approval of the first local board to be set up under the Dominion Marketing Act—that to control tree fruits in central B.C.—and consideration of a marketing scheme proposed by the tobacco growers of Canada, show that the Marketing Board will not be deterred by threats of constitutional weakness made in British Columbia. Litigation is said to be impending in that province on the ground that Federal powers cannot be conferred upon a provincial marketing board or vice versa.

The British Columbia tree fruit board will require the powers of the provincial Marketing Act in order to regulate the tree fruit business within the province. The Federal powers will be needed to control interprovincial trade. This constitutional point was considered by the Bennett Government when the legislation was before Parliament and no steps were taken to offset it. In fact the point is not regarded as important because, if powers are not transferable, two boards can be set up (one provincial and one Federal) and one can be merely a rubber stamp for the other.

Discount Reports

Reports to the effect that the new statute stands in as great peril as the British Columbia statute which was thrown into the discard by the Supreme Court of Canada in 1930 may be discounted. The defunct provincial statute failed because it sought to control interprovincial trade without any Federal warrant for so doing.

The order-in-council approving the first local board to be created under the Dominion Marketing Act contains one or two additional facts not hitherto made public. This board will regulate and control the marketing of the tree fruit crop of central British Columbia (not of the entire province as previously announced) and will have its headquarters at Kelowna. A provisional board, composed of George A. Barrat, Kelowna, Walter B. Haskins, Penticton and Orrise W. Hembling, Oyama, has been appointed to administer the scheme pro tem.

Elect Permanent Board

As soon as possible the growers in the area will elect a permanent board to handle the 1934 crop. The decision to place this scheme in operation without requiring a vote of the growers, is modified in the order-in-council by a provision that a vote must be taken before March 31, 1935, to decide if the scheme is to continue to function. The percentage of support necessary will be determined later on by Hon. Robert Weir.

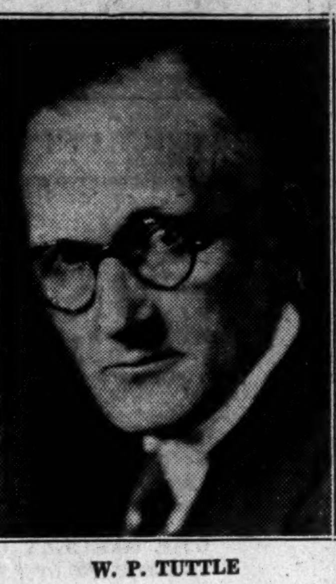
The purpose of this tree fruit board, as previously reported, is to bring about a 100 per cent pool among the growers and thus prevent the usual rush to market and a consequent break in prices. It is specifically stated in the order-in-council that the new board "will not discriminate against any present established marketing agency which complies with the rules and regulations laid down."

The second scheme approved by the Dominion Board creates a local board to handle the export trade in apples and pears.

Pears Included

Previous announcements did not include pears. This board is composed of L. F. Burrows, Ottawa, chairman; Manning Ells, Port Williams, and V. B. Leonard, Clarence, both in Nova Scotia; P. W. Hodgetts, Toronto, and O. W. Hembling, Oyama, B.C. All exporters will be required to take out a license and the intention is to prevent the shipping of early varieties, such as wealthies, duchess, etc., to the British market. The British growers produce more than enough early apples to meet domestic needs and Canadian competition has created great resentment, imperilling the valuable market for winter varieties.

Joins Cockfield, Brown



W. P. TUTTLE

Who recently joined the executive staff of Cockfield, Brown & Co., Montreal. Mr. Tuttle was president of Ronalds Advertising for ten years and more recently was in business for himself as advertising counsel.

There are join the Ely circle advantages

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Three stores in Toronto

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"Scotland's Best"

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CONSULTING FOREST ENGINEER
MEMBER OF EXECUTIVE, PACIFIC LOGGING CONGRESS. MEMBER CANADIAN SOCIETY AND QUEBEC ASSOCIATION OF FOREST ENGINEERS.
Seventeen years in practical active charge of eastern pulpwood logging operations, continuously for the same interests.
Experienced in all phases of organization and management of logging operations, logging engineering, transportation, timber valuations, cruising, forest surveys, etc.
QUEBEC, QUE.

Newsprint Value Up

The value of newsprint exports from Canada in July was nearly one million dollars higher than in the same month of last year, according to the Dominion Bureau of Statistics. The value for July was $7,263,463 as compared with $6,281,525 in July, 1933.

Public Utility Earnings

Jamaica Public Service Ltd.

July—	1934	1933
Gross income	$67,651	$62,619
Net earnings	26,984	23,527
Surplus after chgs.	$17,894	$14,253
Seven Months—		
Gross income	$478,245	$463,315
Net earnings	189,856	184,369
Surplus after chgs.	$125,672	$119,313

Mexico Tramways

July—	1934	1933	Decrease
	$	$	$
Gross earn.	216,464	223,610	7,146
Oper. exps. & deprec.	265,657	288,451	22,794
Net earn.	†49,193	†64,841	15,648
Seven Mos. Ended July 31—			
Gross earn.	1,446,977	1,656,944	209,967
Oper. exps. & deprec.	1,859,378	2,178,782	319,404
Net earn.	†412,401	†521,838	109,437

†Deficit.

Mexican Light & Power

July—	1934	1933	Decrease
	$	$	$
Gross earn.	693,561	685,895	*7,666
Oper. exps. & deprec.	463,636	430,093	*33,543
Net earn.	229,925	255,802	25,877
Seven Mos. Ended July 31—			
Gross earn.	4,875,780	5,251,496	375,716
Oper. exps. & deprec.	3,133,961	3,342,767	208,806
Net earn.	1,741,819	1,908,729	106,910

*Increase.

Rise of Gilt-Edged Bonds Attributed to Easy Money

Higher Dollar or Diversion of Investment Interest Might Bring U. S. Selling of Canadian High-grade Bonds

The present firm position of the market for Canadian government bonds is attributed largely to easy money conditions in Canada and abroad in the current monthly letter of A. E. Ames & Co. The letter interprets the strength of Canadian bonds in the face of the recent pronounced reaction of U.S. treasury issues as indicative of an inherently strong position.

Any developing interest in less gilt-edged securities than the best government bonds, and any swift appreciation in the foreign exchange value of the Canadian dollar, might bring selling from the United States, the letter states. These deductions agree closely with The Financial Post's recent analysis of the Canadian market for gilt-edged bonds.

Analysis of Market

The analysis made in the letter is, in part, as follows:

"During the summer season the prices of high-grade government bonds have continued their advance on comparatively light trading and are now as high as the levels prevailing before the war. The advance has not been confined to Canada, but has been also taking place in Great Britain and the United States, although in the latter country the U. S. government bond market has been inclined to be sluggish and reactionary during the past six weeks.

"Ordinarily, developing strength in the bond market that follows the collapse of a speculative boom or a financial crisis is based upon the preference for bonds that develops and reinvestment of funds derived from liquidation of loans and unfreezing of collateral, together with the surplus income from production. This factor has been an influence in raising bond prices, but even more important from an investment standpoint was the suspension of the gold standard in Great Britain, Canada and the United States. So long as the volume of credit in leading countries, up to say, September, 1931, was determined by the availability of gold reserves, support for the bond market rose largely from the reinvestment of proceeds of liquidated commercial and security loans. The suspension of the gold standard, however, permitted the creation of immense additional banking reserves bearing no relation to changes in the gold supply and this new financial policy has greatly enlarged bond purchases.

Reasons For Rise

"Furthermore the passing of the period of financial crisis and especially of the conditions that caused currency hoarding in the United States has relieved banks and other financial institutions of the necessity of holding large amounts of cash. Actually in the United States, bank cash has been increasing faster than it could be employed in business and up to the present time banks have had to turn to high-grade bonds for investment of their funds. This has been an additional element of support in the bond market.

"The basic reasons, from a financial standpoint, for the widespread strength in high-grade bond prices have been therefore: (a) The reinvestment of the proceeds of liquidated loans; (b) The increase in cash reserves arising from the suspension of the gold standard; (c) The special suitability of high-grade bonds as a medium of investment in the absence of alternative outlets.

"In two important respects the Canadian financial situation differs from that in the United States. Credit policy in Canada has not been directed toward gorging our banking system with unwanted cash, and consequently Canadian banks, even with large holdings of government bonds, hold no such proportion of the public debt, represented by government bonds and other obligations, as do the banks in the United States.

"Canada has relied to a greater extent upon public savings rather than upon bank credit to absorb government bond issues but, despite these distinctive features in the Canadian financial position, in these days of rapid communication and international markets the impulses of one nation's financial policy are rapidly transmitted to another. With bond prices advancing in Great Britain and the United States as a result of easy money policies, it is only natural that Canadian high-grade bonds should have also kept pace with the rising quotations in these markets where Canadian bonds are actively traded and reflect current money trends.

Present Prospects

"There appears to be no near-term prospect of any radical change in the financial situation outlined above, which would induce any credit strain as a result of improving business. From this point of view the influences which have been responsible for the rise in high-grade bond prices bid fair to continue, although the lowering yields are raising interest in less gilt-edged securities. Substantial latent buying power for bonds exists, but it should be recognized that the long-term bond market in Canada is susceptible to serious financial disturbance in other countries and any temporary impairment of financial confidence abroad would have its reactions here. Furthermore the constant lowering of interest returns from highest-grade bonds necessarily lessens their attractiveness and, in the long run, tends to emphasize securities yielding a more liberal return.

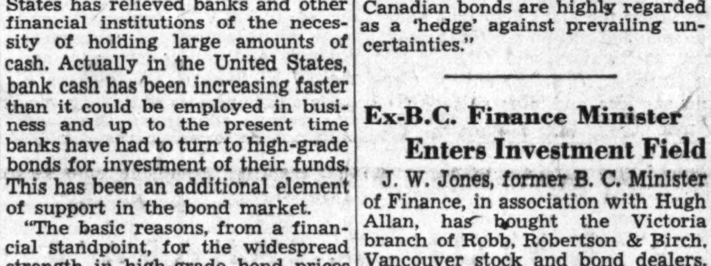
"Moreover, while it remains true that the easy money policy has brought into existence a tremendous potential buying capacity for bonds, there is always the possibility that a premium on Canadian funds and the high level of prices may induce selling by United States holders. As long as U. S. monetary policy is subject to future change the United States holder would hardly be inclined to sell and reinvest the proceeds in his domestic obligations, and recently even a premium of three per cent on Canadian funds in the United States did not bring substantial selling from that country where Canadian bonds are highly regarded as a 'hedge' against prevailing uncertainties."

Ex-B.C. Finance Minister Enters Investment Field

J. W. Jones, former B. C. Minister of Finance, in association with Hugh Allan, has bought the Victoria branch of Robb, Robertson & Birch, Vancouver stock and bond dealers. The acquired business will be operated by a new firm, J. W. Jones, Ltd.

Mr. Jones has spent 25 years in public life, 17 of them in the B. C. Legislature. Mr. Allan has been manager at Victoria for Robb, Robertson & Birch, and started his business career in London, England, George Macbeth, who has been associated in the business with Mr. Allan at Victoria, will continue with J. W. Jones Ltd.

Canadian Bonds Advance Steadily



In their rise to the highest levels in 25 years, prices for Canadian government bonds have advanced without important interruptions, as shown in the above chart by A. E. Ames & Co. Although United States bond prices have had major interruptions in their upward trend, this has not been communicated to Canadian bonds. This is taken to indicate an inherently firm foundation for the Canadian improvement.

Bank Statement Gives New Details

Return of affairs of the ten chartered banks as at July 31, published in this issue of The Financial Post, gives new details of the banks' holdings of securities, as called for by the revision of the Bank Act. Instead of showing Canadian government securities under one heading, these are shown as (1) bonds maturing within two years, and (2) bonds for longer term. The former heading "public securities" is also divided so that holdings of Canadian municipal securities are shown separately from other public securities.

Of the banks' $667,159,925 of Canadian government securities, $358,620,145 mature within less than two years. And of public securities totalling $138,331,444 at July 31, $89,650,847 was in Canadian municipal securities.

SAYS HEAVY TAXES SLOWLY STRANGLE B.C. LUMBER TRADE

H. R. MacMillan Also Stresses Danger of Fixed Wage Rates

From Our Own Correspondent

VANCOUVER.—In its determination to maintain a "progressive" record in social and labor legislation British Columbia is jeopardizing one of her greatest industries, according to H. R. MacMillan, head of the H. R. MacMillan Export Company, one of the largest lumber exporting organizations on this coast.

Mr. MacMillan views with rising concern the steps taken by the government to better the lot of the worker at the expense of the industry. He believes that the load borne by the lumber trade is already excessive. He points out that 25 per cent of the total provincial revenue is derived from liquidation of forest resources and that 20,000 persons directly draw their wages therefrom, with another 20,000 persons indirectly benefitting from lumber and woodworking payrolls.

World Competition

A point emphasized by Mr. MacMillan is that lumbering is a world industry; that about 90 per cent of the lumber is exported and that British Columbia must face world competition.

"The people of British Columbia through their legislature," says Mr. MacMillan, "impose many restrictions upon the freedom of the industry, restrictions which become serious handicaps when they are designed without knowledge of or reference to their effects upon rising costs to the point where sales are impossible in outside markets. Some of these restrictions are stumpage rates and timber taxation relatively too high in relation to sale price of lumber, various other forms of taxation, wage and hour regulations, compensation levies, all of which are based upon sound principles of humanity, but the total of which is reaching the point where the purposes of humanitarian legislation may be defeated by forcing out of employment persons who would otherwise be employed.

"High taxes and high standards of social legislation may be imposed on industries which, protected by tariffs, supply local markets and no loss of employment may follow, but when such loads are imposed upon an export industry, a point is soon reached beyond which every addition to the load raises costs to a level where sales are lost and unempoyment follows."

List Vacant N. B. Farms

A list of all vacant farms in the province is being made through the Marketing Board of New Brunswick. In the fall, when the municipalities confer with the provincial government, the question as to whether the municipalities wish to place settlers on vacant farms under the rehabilitation plan as arranged with the Federal Government in 1932 will be taken up.

Spend on Parks

Expenditures covering more than a million dollars on Western Canada's national parks are announced from Ottawa. With individual amounts ranging from $2,000 to $175,000, the list embraces projects in practically all of Canada's western park playgrounds.

Acadia Apts. Meets March 1, 1933, Coupon

Acadia Apartments, Montreal, on Sept. 1, paid the interest coupon due March 1, 1933, on its 6½ per cent first mortgage bonds. Interest was defaulted March 1, 1933, and this is the first payment since that time.

In a letter to bondholders, it is stated that taxes have been paid to date and that the company had about $39,000 available in cash to pay the coupon. Interest was not paid on the arrears of interest.

The letter indicates that on the basis of present leases it is hoped that revenue will allow payment of another coupon within 12 months. It is stated that there is no hope of full interest at present, and that this will have to await higher rentals and leasing of vacant apartments.

The first mortgage bonds were originally outstanding in an amount of $850,000. This has been reduced to $796,900. Coupons are still in arrears for Sept. 1, 1933, and March 1 and Sept. 1, 1934. The sinking fund is also in default.

Collier, Norris, Henderson Open Office at Toronto

Collier, Norris & Henderson, Montreal bond dealers, announce the opening of an office in the Canada Permanent Building, Toronto. Howard W. Hunter will be manager of the branch.

E. J. Allman has been added to the Montreal staff as government bond trader. Mr. Allman has spent 24 years in Canadian banking, the last five years in the bond department of a large Montreal bank.

Protein Content High

A high protein content and a large percentage of high grade wheat is contained in early arrivals of the 1934 crop of Western Canada returns of the Grain Inspection Department and the laboratory of the Board of Grain Commissioners for Canada, show.

Penmans
Pen-Angle Knit-Goods
Manufacturers of High-Grade
KNITTED UNDERWEAR
HOSIERY and OUTERWEAR
Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec
PENMANS LIMITED
General Offices: Paris, Ontario

N. S. Fishermen Richer

Fishermen of Western Nova Scotia are reported to have received this year to date, more than $1,000,000 over receipts for the similar seven months of last year. Every branch of the industry is said to have felt the improvement.

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Builders of Passenger Cars—Freight Cars—Street Cars—Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts—Steel Pressings—Forgings—Drop Forgings.
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Position of Chartered Banks of Canada as of July 31, 1934, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	33,369,492	30,290,099	6,976,777	9,000,000	131,760,300	379,735,370	55,952,052	1,693,844	1,363,630	3,129,859	207,043
Nova Scotia	11,853,423	644,386	665,093	3,214,000	37,629,229	129,408,919	35,012,660	2,051,532	99,898	1,306,422	255,923
Toronto	6,136,874	118,884	1,022,277	2,000,000	24,016,062	62,849,654		347,387	190,789	786,537	198,000
Provinciale	3,767,136	189,489	48,300	2,600,000	5,593,569	31,685,949		129		31,950	....
Commerce	24,019,621	598,465	7,616,112	7,000,000	105,824,569	277,766,925	50,755,623	1,764,195	930,485	5,628,647	64,556
Royal	30,584,406	1,933,952	8,377,800	9,000,000	127,552,215	262,555,687	168,693,981	769,835	364,248	9,301,104	223,041
Dominion	6,412,833	232,098	489,923	2,455,000	24,543,280	59,783,970	3,975,874	1,803,802	167,356	396,211	....
Nationale	7,918,149	343,195	1,552,421	3,500,000	18,998,849	78,700,481	1,177,023	1,013,402	26,809	159,105	....
Imperial	8,113,658	505,523	2,476,735	1,590,000	25,933,559	74,276,295		1,426,910	327,654	897,374	....
Barclays (Canada)	318,355	81,964	....	84,009	2,715,786	3,624,582		810,758	1,670,023	1,415,821	36,779
Total	132,493,947	34,938,055	29,225,438	40,444,009	504,264,418	1,360,388,772	315,567,213	11,681,795	5,140,892	23,053,030	985,342

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	% Last dividend	*Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	6,778,939	1,330,220	729,751	38,000,000	36,000,000	763,317,382	50,000,000	36,000,000	8	1,191,119	15,384,536	52,231,378	35,966,107
Nova Scotia	6,154,459	150,535	8,454	24,000,000	12,000,000	264,454,940	15,000,000	12,000,000	12	2,846,645	8,396,054	11,812,271	12,580,387
Toronto	971,744	95,710	2,350	9,000,000	6,000,000	113,736,273	10,000,000	6,000,000	10	1,040,356	388,500	2,885,700	6,592,974
Provinciale	296,079	2,471	4,376	1,000,000	4,000,000	49,217,452	5,000,000	4,000,000	6	929,506	240,610	544,207	3,971,536
Commerce	17,572,909		6,783	20,000,000	30,000,000	549,548,898	50,000,000	30,000,000	8	3,655,634	10,391,000	26,868,000	25,859,457
Royal	20,874,858	81,508	14,751	20,000,000	35,000,000	695,327,392	50,000,000	35,000,000	8	2,125,781	11,690,061	30,188,188	32,627,261
Dominion	2,425,920	236,292	3,290	7,000,000	7,000,000	116,926,854	10,000,000	7,000,000	10	1,667,944	659,000	3,269,000	6,919,313
Nationale	389,600	....	4,100	5,000,000	7,000,000	125,483,079	10,000,000	7,000,000	8	244,739	937,909	1,060,537	8,522,604
Imperial	594,672	....	176,119	8,000,000	7,000,000	131,318,503	10,000,000	7,000,000	10	590,280	476,474	4,471,864	8,766,853
Barclays (Canada)	45,608	....	....	500,000	500,000	11,803,679	500,000	500,000	......	....	12,450	86,542	334,870
Total	56,104,788	1,896,736	949,974	132,500,000	144,500,000	2,794,134,452	210,500,000	144,500,000	......	14,292,004	48,576,594	133,417,687	142,121,382

*And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.	Other bonds, and stocks
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal°	15,349,988	60,606,225	2,672,798	513,208	29,971,854	1,965	5,458,271	8,122,355	164,310,048	99,126,346	16,879,336	14,707,483	3,454,940
Nova Scotia	8,407,974	9,924,512	963,930	2,394,135	8,769,799	....	1,467,552	6,799,609	29,242,867	35,576,804	13,040,992	922,218	8,295,433
Toronto	401,337	3,767,183	444,335	46,863	7,280,328	....	1,614,253	1,341,039	7,156,043	27,582,627	5,531,890	99,185	983,009
Provinciale	259,353	435,547	434,200	103,358	1,349,925	1,109,304	7,436	181,618	2,656,597	6,530,178	9,765,233	....	3,005,852
Commerce†	10,475,717	27,987,430	1,869,490	1,234,805	16,324,192	8,333	658,826	18,685,084	60,146,565	56,047,323	12,436,024	14,452,237	11,661,118
Royal‡	11,533,811	32,305,548	2,472,901	15,685,152	21,849,470	3,516	6,717,080	30,616,058	70,691,616	32,424,239	6,388,856	17,813,471	11,784,942
Dominion	675,630	3,305,381	681,120	98,985	4,934,423	....	274,764	1,197,031	6,466,183	18,430,908	4,529,874	135,930	1,740,689
Nationale§	955,415	1,218,193	802,630	98,073	3,335,749	220,059	691,549	551,489	8,890,351	15,981,238	15,101,593	279,773	3,593,561
Imperial	506,218	5,537,764	618,530	62,824	5,905,545	611,222	1,591,180	1,718,384	8,044,717	16,250,202	5,828,672	....	230,278
Barclays	13,975	37,846	11,365	2,147	699,090	1,372,528	3,274,243	755,651	1,006,158	1,489,915	148,377	270,300	37,075
Total	48,580,418	145,105,629	10,971,299	20,240,550	100,420,375	3,326,927	21,755,163	69,968,318	358,620,145	308,539,780	89,650,847	48,680,597	44,786,906

NAME OF BANK	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves*	Invts. in controlled cos. and other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal°	6,041,329	42,114,650	177,289,184	6,869,501	4,179,257	45,171,99[illegible]	3,758,360	516,815	1,009,700	14,500,000	6,778,939	1,637,307	7,000,000	295,073	738,336,951
Nova Scotia	7,024,276	3,099,502	88,689,335	12,024,110	168,159	8,525,595	948,588	....	105,900	7,587,411	6,154,459	539,672	1,750,000	2,884,153	265,306,997
Toronto	4,721,944		42,853,114	....	....	4,902,305	376,922	....	43,495	3,635,205	971,744	325,275	830,866	....	114,708,974
Provinciale	5,334,300		13,488,372	....	....	1,064,848	195,721	600,851	314,067	2,140,099	296,079	201,275	....	39,727	49,630,956
Commerce†	25,179,649	27,608,134	166,107,190	14,937,498	8,020,531	27,373,570	3,466,064	2,590,879	2,633,608	14,780,373	17,572,909	1,287,565	4,000,000	4,427,537	551,951,653
Royal‡	28,058,905	23,008,782	214,502,235	103,732,600	741,642	11,202,543	4,083,847	2,487,439	857,342	17,039,488	20,874,858	1,600,000	3,000,000	6,885,122	698,361,485
Dominion	7,839,043	3,149,859	52,149,044	292,002	....	1,478,614	402,623	87,233	36,201	5,939,432	2,425,920	315,000	700,000	129,772	117,416,661
Nationale§	4,582,463	....	40,585,003	66,541	5,882,270	13,532,058	471,890	1,366,087	410,793	6,118,973	389,600	369,423	1,500,000	64,400	126,178,193
Imperial	7,781,582	....	53,709,869	....	4,206,324	8,937,832	365,475	189,464	404,390	6,003,103	594,672	453,304	2,400,866	156,825	132,309,255
Barclays	906,609	....	1,262,466	....	....	....	12,908	....	....	450,000	45,608	15,239	....	....	11,811,498
Total	97,470,100	98,980,927	850,636,713	137,922,252	23,198,183	122,189,363	14,082,407	7,844,868	5,874,496	78,194,071	56,104,788	6,744,051	21,181,732	14,932,609	2,806,012,623

*Of this deposit $5,181,732 is in gold coin; the balance is in Dominion notes.

°The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

Correction—June Statement—Column "Aggregate amount of loans to directors, and firms of which they are partners, and loans for which they are guarantors," should read—

Banque Provinciale du Canada ....$ 907,464
Total 15,288,360

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, SEPTEMBER 8, 1934 10c a Copy; $5.00 a Year No. 36

FARM PROGRAMME UNDER NEW DEAL DUE FOR CHANGE

Shortages of Key Commodities Baffle New Dealers

BUY FROM CANADA

Not Only Feed But New Stock May be Needed from Dominion

By DR. GAINES T. CARTINHOUR
New York University

NEW YORK.—The United States has become commodity-conscious because it is quite apparent that the combined effects of the drought and A.A.A. acreage restrictions are going to affect practically everybody this winter. President Roosevelt would like to keep foodstuff prices down because they are a potent political factor. Continuous shifts in viewpoint, so characteristic of the A.A.A. to date, have brought about serious maladjustments, both within agriculture itself and in its relations to industry. The agricultural control policy has certainly reached a critical period and must be substantially revised.

Millions of dollars are expected to be spent for Canadian hay, oats and other fodders. Because of the shortage of fodder crops coupled with activities of speculators in these commodities, the Dominion's action to license exports was necessary, but well-informed economists believe that this will not seriously interfere with substantial shipments to the United States at good prices. These exports would doubtless be much higher if Canada's hay and clover crop was anywhere near the average. Both countries will be forced to adopt measures to conserve cattle feed.

Hay at $24

The first shipment on record of hay sent from Mexico to the United States arrived in Kansas City the other day and sold for $24. A $5 per ton duty was paid.

If A.A.A. limitations are continued too long, a season will come when they will cause a serious scarcity of farm products. This supposition is not far-fetched, considering that all through the drought area and through most of the Middle West there is a deficiency of sub-soil moisture this season.

The A.A.A. crop control programme for 1935 must undergo radical changes. Official announcement has been made that contractual relations with farmers will be continued and that acreage limitations will be maintained with some deviations. Expansion in corn and feed crops is believed inevitable. The current corn crop called for a curtailment in plantings of between 20 and 30 per cent and the programme is expected to require a 15 to 20 per cent reduction in acreage. A.A.A. officials take the view that a larger cut would be unwise because heavy feed supplies from the 1935 harvest would encourage an increase in livestock numbers. Direct control over livestock production next year may be suspended but kept regulated indirectly by close supervision of the feed supply, according to reports. If this plan is adopted, it is not expected to be announced officially until the latter part of September. Cotton production is likely to be extended from 25,000,000 acres to at least 30,000,000 acres.

More Wheat

The 1935 A.A.A. plan to permit a 5 per cent increase in wheat acreage planted this year by farmers qualifying for benefit payments will mean a crop of between 750,000,000 and 800,000,000 bushels, under normal conditions. Acreage planted next year is set for about 62,000,000 in comparison with 59,000,000 this year and normal of about 65,800,000. One reason, among others, for this increase was the failure of the International Wheat Advisory Committee to reach accord on export quotas and on plans to limit production. This amount is expected to be sufficient to meet domestic requirements and provide a desirable carryover. For the first time since 1890 the United States will be out of the world wheat markets next year, but A.A.A. officials believe there will be little difficulty in regaining foreign markets "as soon as conditions warrant."

There are four reasons why the A.A.A. must lift planting restrictions. In the first place, the drought has made heavy inroads on supplies. Second, there have been reports of unrest among farmers and such action might make them more willing to co-operate, particularly if the benefit payments are at the same rate on the increased acreage. Third, last year's carry-overs are equivalent to or less than normal. Fourth, political opposition would develop because of lower supplies and high prices. Fifth, damage to some of next year's crops, particularly wheat, is already predicted in view of drought obstacles.

Getting Nowhere

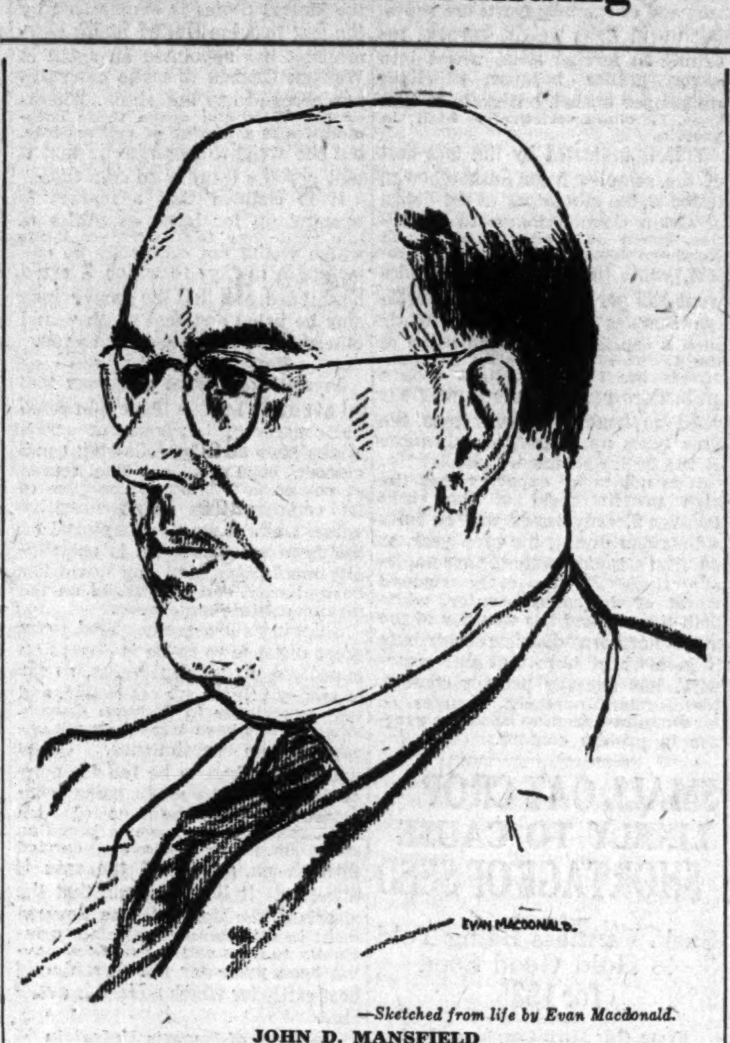
The A.A.A. has tried acreage restriction, benefit payments, and processing control, and to date the results which have been secured do not prove anything. The first of these three is particularly unsatisfactory because of uncertain weather conditions from year to year. The ultimate objective of A.A.A. is just about as far from attainment as when it began. The purchasing power of farm crops, relative to what the farmer buys, has not increased satisfactorily. Furthermore, it has been found necessary to resort to compulsion instead of relying upon voluntary action, as was originally intended.

The basic purpose of the A.A.A. has been to restore the pre-war parity between prices of farm commodities and those of non-agr. products. Little progress has been made in this direction. The results have been disproportionate to A.A.A.'s tremendous efforts and enormous expenditures. Rising costs and prices in the

(Continued on page 10)

Sees Canada As Auto Centre of Empire

John D. Mansfield Presents His Views on Social Justice in Industry and on Role of Tariff in Nation Building



—*Sketched from life by Evan Macdonald.*

JOHN D. MANSFIELD
President, Chrysler Corporation of Canada

"Canada will become the automobile manufacturing centre of the British Empire". This is the considered view of a man who has been a notable contributor to the building up of the industry in this country, John D. Mansfield, president of the Chrysler Corporation of Canada.

A forceful business executive, Mr. Mansfield has some interesting ideas on Canada's industrial development. These he recently gave to The Financial Post in an interview.

Two items of interest about John D. Mansfield are that he started life punching cows and that he has ended by punching a time-clock. Cowboys do not ordinarily achieve fame as industrial magnates. And not many industrial magnates punch time clocks.

Maker of Motor History

As president of the Chrysler Corporation of Canada, Mr. Mansfield makes and sells a number of well known makes of automobiles. To be more precise, they are Chrysler and De Soto, Dodge and Plymouth. Mr. Mansfield has been commander-in-chief of the Chrysler armies on the Canadian sector for eleven years. And if you cast a backward glance at these eleven years; if you realize that Walter P. Chrysler was virtually unknown eleven years ago; that De Soto was merely the name of an explorer; that Dodge was the family business of two brothers in Detroit who had probably seen Mr. Chrysler's name only in the automotive trade journals; that Plymouth was still but the name of a rock on which the pilgrim Fathers stepped in order that a famous strain of chickens might get a suitable name, you will realize that Mr. Mansfield has been in on a lot of automobile history.

Mr. Mansfield's connection with transportation goes back more than eleven years, as we shall see.

Born on Cattle Ranch

But about that cow punching business. That was the accident of birth. Mr. Mansfield was born on a western cattle ranch, owned by his father. He rode the range, acting as governess to pesky steers. A frequent visitor was Gustavus Swift, whose last name at least you have probably heard mentioned in connection with the packing business. "If you ever want a job send me a letter" Mr. Swift said to young Mansfield. Came the day when Mansfield did want to get a job in the big city. He wrote to Mr. Swift and was hired as cattle buyer.

This took him around the country and he met a great many different people. One of them was the man he came to know as "Billy" Durant, but who is known to the world as W. C. Durant, one of the most colorful figures in the history of both the automobile industry and the New York stock market. But when Mr. Mansfield knew him first, Durant was making carriages up in Flint, Michigan. Automobiles were of the future.

Seller of Wagons

One day Mansfield and Swift parted company for reasons undisclosed. Mansfield wired Durant and Durant said "come." So the ex-cowpuncher turned from food to transportation. This was nearly forty years ago. He started out by selling wagons and he has been selling four-wheeled vehicles ever since.

He was with Durant when Durant, Dort and others organized the Dort Motor Car Company, which made a deal with the Gray Carriage Company at Chatham for the manufacture of Gray-Dort cars in Canada. One week of every month Mr. Mansfield spent in Chatham. It wasn't difficult, then, for him to settle down in Canada after the war when Jules Bache and Walter P. Chrysler and some of their friends bought the Maxwell-Chalmers factories from the bank, which had taken them over for non-payment of a debt, and discovering that they had acquired a factory in Canada along with the rest of the assets, asked Mr. Mansfield to go to Walkerville and take charge.

Salesman and Executive

No mechanic, no engineer, Mr. Mansfield is primarily a salesman. He asserts that he doesn't know anything except automobiles, wherein he underestimates himself as we shall see when we come to his views on some of the industrial problems of today in Canada.

He is much more than a salesman; a capable business administrator who has never failed to show an operating profit in every year he has been head of Chrysler in Canada. One reason for this quite remarkable showing in an industry that is notable for its peaks and valleys is the co-operation he commands from everybody in the company, workers, salesmen and office staff. That business of punching the time clock, may have something to do with it. "I wouldn't ask any man to do anything I wouldn't do myself" he says. Anyway, when a group of radical agitators tried to organize a Communist left wing among his workers a little while ago it was hard work keeping the employees from feloniously assaulting the would-be organizers.

Two or three questions naturally suggest themselves when one talks to a motor car manufacturer. Such for example as "What is the saturation point for automobiles?" and "What kind of cars will we be driving tomorrow?"

Mr. Mansfield has given up trying to find the exact answer to these two questions.

No Early Saturation Point

Saturation point? "It's so far away that it is almost idle to speculate on it" he says. "Not until every family is equipped with modern trasportation can we talk about saturation points. We live in a nervous age, and a time of constantly widening horizons. Both of those things mean that people want to travel more and more. The present generation wants always to be going places and doing things. There is plenty of room for more cars on this continent. But look at the other continents. The automobile industry is going to keep on expanding and growing and reaching out for new fields to conquer just so long as there are Chinese coolies and African hottentots with no cars to drive.

"There are some good years ahead of the automobile industry here in Canada. Just remember that farmers have not been buying cars for four or five years; that unemployed workers have not been buying them. But cars have been wearing out in service and becoming obsolete. There is a tremendous reserve of deferred car buying for the industry to draw on. We are starting to tap it now."

Public Decides

The car of tomorrow? "We in the industry are not going to decide what the car of tomorrow will be like" says Mr. Mansfield. "The public will decide that. The automotive engineer may produce something new and think that he has done a wonderful job. But until the public accept it, it isn't good enough.

"But I do believe that the next ten years will see greater developments in automobile engineering than the last twenty. That is because the public accept new ideas more rapidly than before. This means a lot in the development of better motor cars. When the public were slow to accept radical designs, the engineers had to hold back, to change their designs and engineering less rapidly than they would have liked. The wise manufacturer tries to estimate just how far the public will go in the acceptance of new developments. Sometimes he has taken a chance.

"Looking back on it, I can see that it was pretty courageous for Walter P. Chrysler to introduce his Airflow cars last year. We had those cars all designed and ready to submit to the public for three or four years before we decided to make them and offer them. When the decision was made, a tremendous amount had to be invested in engineering development, tools and dies, machinery and rearrangement of production facilities. Would the public accept the cars? Mr. Chrysler thought the public would. He was right. What did that prove? Simply that the public were ready to move ahead a little more rapidly with the automobile engineers. That is why I say the next ten years will beat the last twenty."

For Social Justice

Something was said earlier about the loyalty of the Chrysler organization to their chief. The company has never had any labor troubles because Mr. Mansfield considers that it is one of his important functions as head of the company to see that the workers are treated as partners. It is outside his power to iron out the seasonal fluctuations in the industry and he cannot ride the whirlwind of depression and direct the storm. But he does endeavor to dispense social justice so far as it is within his power as an employer to do so. This fact is cited not to single Mr. Mansfield out from other industrial employers. The vast majority of industrial managers adopt toward the labor element in their capital-management-labor partnership just the same attitude as Chrysler's head.

Most industrial employers are striving earnestly for the largest possible measure of social justice. "I see no objections to minimum wages," says Mr. Mansfield. "And I am not unfavorable to the principle of unemployment insurance.

"Most people believe that there must be a larger measure of social justice than there has been in the past. In fact this attitude is well nigh universal. When everybody, or a large majority desire a social change, that is always the first step to bringing that change about. So we are going to see some notable advances in social justice in the next decade.

"What we have to watch though is to see that in achieving social justice we do not lose political liberty. Most people naturally assume that both of those things go together. We have seen in Europe, though, that such is not the case. Over there they have experimented in the economic and social fields through the establishment of dictatorships or the Communist state, as in Russia. Anything like that would be disastrous in Canada, the United States or any other English-speaking country and it may be disastrous in Europe.

Seek Middle Ground

"There is much innate common sense in the English-speaking peoples. It will help them find some middle ground between extreme individualism on the one hand and extreme socialism on the other. We have to find that middle ground because we have just as strong a desire for freedom of individual initiative as we have for justice. Those two desires are forces that will work together. They will bring about solutions of our social problems, step by step, over a considerable period of time. Isn't this better than resorting to revolutionary methods?

"Our biggest problem is unemployment. There are, of course, many types of unemployment. So there is not one solution, one remedy, but many that must be sought, You cannot solve unemployment problems, though, by putting the whole burden on the individual industry. I hope to see employers of labor coming together to effect agreements that will co-ordinate production more closely with consumption. This will reduce violent fluctuations, whether from seasonal conditions or from the sharper up and down movements in the economic cycle. But most of the influences that create unemployment are forces outside the immediate control of any one employer or group of employers.

International Action

"Most of the forces are international. There must, then, be international agreements in the economic sphere. A number of experiments, both international and national, are being tried. The most notable of course, is the New Deal in the United States.

"I have tried to believe in the New Deal of President Roosevelt. Certainly it did start people thinking along new lines. But the American people live on enthusiasm; they are emotional. They go to extremes. They are doing it in their New Deal. That will not happen in Canada because in this country we take things more quietly and strive more earnestly to see the practical facts. You can see the difference between the American and the Canadian temperament in gatherings of salesmen. The way to get salesmen to sell in the States is to get them together and pep them up; fill them full of enthusiasm and optimism and send them out. They will come back with the orders as long as their enthusiasm lasts. In this country, the sales manager talks more quietly, presents more facts and gives his salesmen a kind of momentum that lasts longer.

"I think that the New Deal experiments will bring us a little closer to the objective of social justice. But it is just as true as it is trite to say that neither the extreme hopes of their advocates or the extreme fears of those opposed will be realized.

Machine Age Benefits

"One matter on which a great deal of nonsense is heard is the effect of modern machinery on the welfare of the workers. It is the habit today to denounce the machine age. I don't know just what these critics want. Possibly they want to go back to using candles. Certainly the alternative to machinery is a set of very primitive conditions in industry; with more work being done by hand. In other words, more toil, as though hard work and sweat in themselves were a virtue. Leisure is a greater virtue and that is what we get out of the machine age.

"Machinery is not in itself an evil. I see it as a great benefit to the human race. Machines produce more wealth. It takes the form of usable goods. Everyone shares the benefit. We do not want to go back to the hand loom and to striking fire with flint and steel. What we do want to do, however, is to find some means of distributing the productive power of the machine more justly.

Take Broad View

"We get a distorted view of the problem by looking too closely at the displacement of labor in individual cases. That means temporary hardship for those so displaced. But there is more to it than that. We will get a much better perspective if we compare conditions in countries where machinery has been developed to the highest degree with those existing in some primitive countries. Would you like to live under the conditions that prevail in India or China? Don't you prefer conditions in North America or England? Of course you do.

"There have been hardships and difficulties in the last five years, but living conditions even for those on relief, have been better than the average living conditions of the unemployed population of thirty years ago.

Getting the Benefits

"We must go on developing more and better machines. And then we must put our heads together to find some way of giving everyone who is willing to work his just share of the greater wealth, the better living and the fuller leisure that these machines will produce. We could cure the machine haters of their robophobia by making them gain their livelihood on special farms equipped only with the tools of one hundred years ago.

"We have learned a lot in this depression. Manufacturers are among those who have gained some benefits to offset their losses. They have learned how to produce things more cheaply. I am not referring to the cutting of wages, which are determined in the short run primarily by the cost of living. But we have learned how to eliminate wastes, how to perform certain processes more efficiently. The public will get the benefit of these economies in the coming years. Eventually, of course, a new group of executives will arise who have not experienced the difficulties of these depression years. Our old extravagant habits will come back until they too learn by hard experience."

Views on Tariff

Mr. Mansfield is a believer in what he calls "a fair tariff". He says:

"Canada is committed to an industrial destiny. Whatever the complexion of the government in power at Ottawa, the past history, present necessity and future development of the country will compel a fiscal policy leading to the preservation and development of our present industries and the acquisition of new industrial enterprise. Tariffs are here to stay. The only argument is as to the degree of protection and where it is to be conferred for the national good.

"Some people are content to think of Canada as a country best suited to the export of agricultural, mining, forest and fishery products. This view might have been logical and reasonable for Canada one hundred years ago. But it is an out-of-date view now. Canada has long since embarked upon a course of industrial development. To turn from that path now to that of a raw material producer merely, would be suicidal. It would mean sudden industrial extinction or abandonment forever of the ambition to be great among the nations in population, wealth, influence.

Disaster to Abandon Tariffs

"Capital is flighty, timid. Maybe it is even selfish. It seeks profits. It makes a hasty departure from the country or the area where there are no profits. Suppose we were to abandon suddenly the tariff structure. The majority of our industries would overnight close their doors. They would either be destroyed or seek more profitable fields of operation. A slower demolition of the tariff wall would bring about the same destruction. With this destruction the country would have to face the breaking up of homes, villages, towns and cities. There would be a readjustment of its entire community and social structure more drastic than a political revolution. A complete change in our political structure would be much less disastrous.

"It is the development of industry that has made the relatively high standards of living which exist today a possibility.

Where Highest Income Is

"We should also remember that the higher processes of manufacture are the most profitable. They are also the least exacting on human labor. The lower processes of the labor, involved in extracting the products of field, forest, mine and sea are far more arduous and generally less profitable to labor. If Canada were to go back to being a raw material producing country—Canadians would become serfs to more prosperous nations. Our economic well being would be more and more subject to violent fluctuations of foreign demand for our products.

"Canada should seek to develop more and more the higher and more profitable processes of manufacture. We should be more and more self-contained. It would make us more capable of building a happy, prosperous and increasing population.

Scientific Tariff

"I am for a scientifically constructed tariff. By that I mean a tariff which will result in the maximum building of Canadian industry. But it must be as free as possible from the kind of red tape which retards rather than builds industry.

"I believe our governments are sensible to this. The future will see a much more intensive study of our problems. We shall have a much more constructive tariff put into operation.

Motor Centre of Empire

"Canada has a wonderful opportunity in the automobile industry. We are in a unique position to be the major automobile manufacturing country of the British Empire. The industry has been built on mass production. It takes enormous volume to provide efficient, luxurious and economical automobiles. Without volume, the great engineering laboratories serving the automobile industry in North America could never have been built. Without these engineering and research organizations the automobile would still be clumsy, inefficient and expensive. Engineering and tool and die costs are spread over a large volume. This is what has made possible the value in the automobile purchasing dollar of today. Now let us apply that to Canada.

What We Get From U.S.

"The greatest market for automobiles in the world is the United States of America. Only in that country is there a volume of sales that will make possible the results which have been achieved in present automobile production.

"Canada is right next door to the United States. That puts us in a position to take advantage of their big developments that are due to the largest automobile production in the world. Cost can be spread over that large production. Therefore, Canada is in the unique position to enter British overseas markets with her products.

"There have been numerous attempts to give Canada a completely Canadian car, one drawing no inspiration from American engineers. It can't be done. The market is not large enough. If one Canadian automobile company sold all the cars that are bought in Canada it would still not be able to give automobile buyers the benefit of progressive engineering and mass production. A simple body change involves an investment of $200,000 or $300,000.

"Chrysler has 1,000 employees in its engineering department in the States. The average Canadian company has a half dozen or less. Canadians get the benefit of all that notable engineering development.

Highly Developed

"I think if our legislators and economists were to study the development of the automobile industry in Canada over the past ten years, they would be amazed at the rapidity with which it has developed from a bare assembly proposition to a highly developed manufacturing industry. It employs a multitude of Canadian workmen. It ramifies into hundreds of communities and industries throughout the Dominion. There is scarcely a raw material or manufacturing industry in the Dominion that does not receive some direct or indirect prosperity from the manufacture of Canadian automobiles. My company buys supplies and parts in over fifty different centres in Quebec and Ontario. We could have made our own factory larger; we could have made more of our parts than we do make. But we believe in using facilities that are available. Anyone establishing a new industry should endeavor to help rather than harm existing factories. He will get it back from the diffusion of prosperity and purchasing power over a larger area.'"

Some Industries Over-expand

One of the prime mistakes made by many United States industries establishing branch plants in Canada is that they over-expand, Mr. Mansfield thinks. That is why there are many failures.

"They are accustomed to think in large figures. They bring their architects, engineers and managers over here to work on the plans for the Canadian plant. These men have been building plants to serve 125,000,000 people It is hard for them to get their perspective down to a market of 10,000,000 people. But they have to do it if they are going to succeed in Canada and make a permanent contribution to Canadian prosperity."

Foreign Exchange Markets

MARKED weakness in sterling developed in the week ended Sept. 4. This denotes an important change in the relative gold position against the U. S. dollar. Sterling has been at a substantial premium in New York for months. Seasonal weakness and lack of official support accounted for the decline of sterling. Pressure for the decline, however, is believed to be partly due to the trade disadvantages of the high pound.

The decline of sterling places further deflationary pressure on gold standard countries such as France. Weakness of the American dollar or another devaluation might bring higher prices for sterling in New York and Canada, but lower levels against gold. The currency race is toward depreciation.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 28	Aug. 29	Aug. 30	Aug. 31	Sept. 1
U. S. dollar, High ..	.5906	.97¼	.97 15/16	.97 15/16	.98¼	.97⅞
Low ..	.5906	.97⅛	.97⅛	.97 1/16	.97 15/16	.97⅞
1933 High ..	1.000	1.05 1/16	1.05¼	1.05¼	1.05¼	1.05¼
Low ..	1.000	1.04 15/16	1.04 15/16	1.04 15/16	1.05 1/16	1.04 15/16
U. K. pound	4.8665	4.91⅞	4.91	4.90	4.88¾	4.88⅛
Argentina	.4246	.2697	.2691	.2698	.2688	.2760
Australia	4.8665	3.9141	3.9053	3.8978	3.8907	3.8818
Austria	.1407	.1865	.1875	.1880	.1882	.1881
Belgium	.1392	.2312	.2321	.2328	.2332	.2332
Brazil	.1963	.0660½	.0663¼	.0664¾	.0665½	.0807
Czechoslovakia	.0296	.0410	.0411½	.0412¼	.0413	.0413
Denmark	.2680	.2199	.2199	.2193	.2185	.2179
France	.0392	.0649½	.0652¾	.0654¼	.0655	.0655
Germany	.2382	.3852	.3889	.3905	.3908	.3907
Greece	.013	.0093½	.0094	.0094¼	.0094¼	.0094¼
Holland	.4020	.6665	.6698	.6713	.6725	.6725
Hungary	.1749	.2934	.2945	.2947	.2956	.2954
India	.3650	.3750	.3765	.3758	.3744	.3707
Italy	.0526	.0844¾	.0848½	.0850⅝	.0852	.0851
Japan	.4985	.2951	.2955	.2962	.2951	.2929
Jugoslavia	.1929	.0226⅝	.0227¼	.0227¾	.0228	.0228½
New Zealand	4.8665	3.9297	3.9209	3.9135	3.9063	3.8974
Norway	.2680	.2473	.2474	.2486	.2459	.2455
Poland	.1122	.1868	.1877	.1882	.1885	.1884
South Africa	4.8666	4.9103	4.8993	4.8899	4.8809	4.8698
Spain	.1929	.1346	.1354	.1357	.1359	.1358
Sweden	.2680	.2539	.2541	.2532	.2523	.2520
Switzerland	.1930	.3215	.3230	.3239	.3244	.3242
Hong Kong	.5422	.3813	.3833	.3832	.3856	.3865

Ontario Civic Default Gravest in All Canada

Consequences Costly to Defaulters, But Rehabilitation Progressing, Says Canadian Financial Expert

By THOMAS BRADSHAW
President North American Life Assurance Co. Address to Ontario Municipal Association

No section of Canada had, up to four years ago, a finer reputation for municipal credit than the province of Ontario. Today no section in Canada has a more serious municipal problem on its doorstep than Ontario. This statement is borne out by the fact that both actually and relatively the municipal debt in default in Ontario is greater than in any other province of the Dominion.

So numerous have been the defaults, so large an amount do they total, and so many ratepayers and investors do they affect, that it is of prime importance for those who have undertaken to administer our municipalities to realize the seriousness of this situation.

Past Record Good

Over a period of years and until quite recently, the good record of those in Canada in the payment of interest and the prompt repayment of their borrowings, and the belief that the collective resources by way of taxation were available and ample, led to the ready acceptance of their evidence of indebtedness—their debentures — by investors throughout the Dominion, United States and Great Britain. Especially were the securities of Ontario municipalities held in the highest esteem, and rarely was any question raised as to their soundness. The result was that these communities were enabled to obtain capital to provide for improvements, essential services, education, etc., at a low cost, which afforded their citizens added comforts, advantages and conveniences. These securities attained a great degree of popularity. To such an extent was this the case that those having large or small savings found them a convenient and safe form of investment—private citizens in and beyond the municipality itself; benefit funds and other co-operative savings societies; churches and colleges for pension and endowment funds; other municipalities for their sinking funds and for pension funds established for their employees; governments and commissions, such as the Workmen's Compensation Board; executors, official guardians and courts for estates and beneficiaries; insurance companies for their policyholders; loan companies, trust companies and banks for depositors and the holders of savings certificates, and many others.

Their popularity secured for them an even wider distribution than the bonds of the province itself—all as a result of the fine credit record established over a long period of years.

Picture Has Changed

Has this picture changed in recent years? We must regretfully but frankly admit that it has. During the past four years much has taken place to shake the investors' confidence. Ontario municipal securities as such cannot be considered as a preferred class, as formerly. Before investing, each individual offering must now be carefully examined; the financial position of the municipality must be closely analyzed.

No less than forty municipalities within this province have admitted that they cannot meet their obligation and are today in default. The aggregate of the defaults of bonds in investors' hands is $79,229,755. In addition, there have been bonds issued, mostly lodged with banks for advances, of $7,574,453. Further, outstanding obligations in the nature of guarantees to boards and commissions amount to $9,836,611, making total default of $96,640,819.

19.1 Per Cent in Default

The total of all municipal securities issued in Ontario is approximately $504,750,000, so that the volume in default is no less than 19.1 per cent. The loss and suffering of trusting investors, as well as the damage to credit, as the result of such a lamentable and unexpected record, can hardly be estimated. The government is actively grappling with the problems involved in the affairs of these unfortunate municipalities; but, in addition, it is hoped that it may not be long before there shall be established, as no doubt our government has in contemplation, a department which shall aim at the establishment of such safeguards and standards as shall protect both investors and ratepayers from a recurrence of the foregoing conditions, which are much more serious in our own province than in any other in the Dominion, as will be noted from the following:

Province:	Debentures in hands of public in default	Total municipal debt in hands of public	%
Ontario ...	$97,000,000	$504,750,000	19.1
Manitoba ..	12,000,000	92,500,000	13.0
Sask.	4,000,000	46,600,000	8.6
Brit. Col. .	10,500,000	129,900,000	8.1
Quebec ...	15,000,000	392,200,000	3.8
Alberta ...	450,000	76,900,000	.6
Maritimes..	none	54,800,000	..
Total	$138,950,000	$1,297,650,000	10.7

These figures are based upon the most recent information available, but, owing to the difficulty of obtaining authentic figures in many cases, may not be considered absolutely accurate. Nevertheless, they are sufficient to confirm the reference made.

Causes of Defaults

Tracing the cause of these defaults, it is comparatively easy to enumerate some of them.

1. Extravagant and unwarranted expansion during recent years, involving abnormal capital debt; especially costly local improvements and school buildings and equipment, resulting in taxes which could not be met.
2. Failure to reduce expenditures in proportion with falling revenue.
3. Failure to balance the years' budgets, and a refusal to face the facts and to levy for deficits.
4. Too easy and too generous banking credits.
5. Refusal to recognize the simple principle that a municipality should strictly limit its expenditures of the year to the actual revenue of that year.
6. Failure to apply efficient business methods to the collection of taxes, resulting in abnormal arrears and heavy bank borrowings.
7. Failure to purge assessment rolls yearly of dead assessment, thus continuing to levy on non-revenue-producing assessment and take credit as revenue therefor.
8. Burden of relief charges during the last three years through unemployment.
9. Failure on the part of councils and officials to honorably and strenuously cope with the affairs of the municipality when the first signs of difficulty made their appearance.

It is believed that if there had been more zeal and desire to maintain the integrity, credit and soundness of the municipality, rather than seeking an easy way out, there would have been fewer defaults.

Consequences of Default

There is at this time, when dealing with the subject of maintenance of public credit, merit in pointing out what has been experienced in those municipalities which have been obliged to seek relief. The morale of their citizens has been adversely affected; mercantile business has unduly declined; bankers have been more careful of their credit to customers; those who have loaned moneys on mortgages have been more insistent upon prompt payment; it has been difficult, if not impossible, to obtain new moneys for erection of homes; values of real estate have declined; new businesses or industries could not be attracted. These conditions are only natural, because the corporate municipality and its administration reflect to a very large degree the sum total of all that is contained in that municipality.

These things are mentioned and emphasized to suggest that before any municipality acknowledges defeat—which means not merely the administration but its citizens—it should do everything in its power, and make every sacrifice, to maintain an unblemished credit position.

Damaged Credit

There is not a municipality in the province but will require, at some time or other, capital moneys to carry out certain more or less important undertakings. It may be extension of electric light or water plant; it may be the erection of a public or high school; it may be an extension of sewers; it may be important improvements to sidewalks and pavements; it may be the acquisition of lands for parks, or the erection of municipal buildings.

Those who are the ratepayers' elected representatives have an important responsibility resting upon them to see that the affairs of the municipality are conducted so efficiently during their term of office, that they will not damage the municipality's ability to obtain future supplies of moneys to carry out such undertakings as may be necessary. But not only is it essential to be able to borrow funds, but it is desirable to do so at the lowest possible rate of interest, so that the taxpayer shall not be penalized. This can be done only if municipal credit is honorably maintained.

It cannot be done if municipal credit is abused and dishonored. There is no doubt whatever (and it is most unfortunate) that those municipalities which have been obliged to default will be handicapped in the future, both in the obtaining of the volume of capital required, and in the obtaining of it on the best terms. Damaged credit will take years of honorable and efficient dealings to repair, and therefore everything that is humanly possible

(Continued on page 12)

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Capital Wanted

GOLD MINE, NOW OPERATING, WITH small mill, and complete mining equipment, and now starting to produce, can make very attractive offer to party or group who can furnish approximately ten to fifteen thousand dollars required to complete programme. Will stand strictest investigation. Box 40, The Financial Post, Toronto.

Wanted French Furniture and Decorations

ADVERTISER IS OPEN TO PURCHASE antique or very fine reproductions of French commodes with carved bronze mountings; also bureau, mirrors and decorations. Box 42, The Financial Post, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 29th September, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 1st day of October, 1934, to shareholders of record of the 20th September, 1934.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 16th August, 1934.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 39

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1934, payable October 15th, 1934, to shareholders of record at the close of business on September 29th, 1934.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, August 28th, 1934.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 29

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending September 30th, 1934, payable October 15th, 1934, to shareholders of record at the close of business September 29th, 1934.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, August 24th, 1934.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 59

A DIVIDEND of one and one-half per cent (1½%) being at the rate of 6% per annum, on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending September 30th, 1934, payable October 15th, 1934, to shareholders of record at the close of business on September 20th, 1934.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, August 24th, 1934.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of EIGHT PER CENT PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable MONDAY, THE FIRST DAY OF OCTOBER next, to Shareholders of record at the close of business on the Fifteenth day of September, 1934.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 22nd, 1934.

Siscoe Gold Mines Limited

Dividend Notice No. 10

Notice is hereby given that a dividend of three (3c) cents per share and a bonus of two (2c) cents per share on the issued Capital Stock of the Company has been declared payable September 29th, 1934, to shareholders of record at the close of business September 15th, 1934. Stock Transfer Books of the Company will be closed from September 16th to 29th inclusive.

H. E. GREEN,
Secretary-Treasurer.

Montreal, August 15th, 1934.

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of this Company have declared a dividend of twenty-five cents a share on account of arrears on the Class "A" shares of the company payable October 1st, 1934, to shareholders of record September 15th, 1934.

By order of the Board,

J. P. BERNEY,
Secretary.

Toronto, August 31st, 1934.

Wheat

New Wheat Sells Well

WINNIPEG.—Deliveries of new crop wheat by farmers have been slowed up by showery weather in many parts of the West, which has interrupted threshing operations. But as rapidly as they can they are delivering wheat, and to a remarkable extent the wheat is being sold as soon as delivered. A limited number of farmers who can afford to do so are putting wheat in storage with the evident intention of holding it for better prices, but that is confined to farmers who are not pressed for cash, for there is comparatively little borrowing on stored grain.

This rapid selling has to a large extent been caused by the need of immediate cash. Precluding any thought as to whether or not it may pay to hold grain in the hope of higher prices to that must be added the fact that a great deal of grain, specially from the drier areas where harvest was early, is under attachment or seizure of various sorts, to cover debts incurred prior to harvest. This is particularly the case in respect to advances made by government and provincial relief agencies, and the municipalities in particular have been rigorous in demanding repayment of advances made for seed grain and other assistance.

But a good deal of prompt selling seems also to have been prompted by a desire to obtain current prices before any slump may take place, a feeling which has also prompted a considerable number of farmers to sell grain in the future market ahead of completion of threshing operations.

* * *

The Russian Situation

THE Russian wheat situation is not yet very clear. Some small quantities have been exported through Black Sea ports to Europe, but by this time actual movement and chartering would be on a large scale if the country was to have any considerable quantities to spare. Reports of internal scarcity of grain, and of reluctance of peasants to part with their crops to the Government collection agency continue to an extent that suggests that all Russian grain is urgently needed at home. The fact that under such conditions any wheat at all is shipped out suggests anxiety on the part of the Government either to establish credits abroad even if only limited in extent and at considerable trouble, or else a desire to maintain some sort of footing in the wheat export trade which might be useful in international negotiations.

It is to be expected that whatever wheat Russia spares this year will be Durum wheat, which would be shipped to Italy to take advantage of the high prices prevailing for macaroni wheats this year, which would be more profitable than shipping hard bread wheat to the British market. Unless Italy is able to obtain Durums from Russia the macaroni industry of the former country will be short of its usual requirements, although conceivably it might resort to the use of hard bread wheat from Canada for the manufacture of macaroni. With the United States drawing on Canada's limited supplies of Durum there will not be enough left for Italy's prospective needs.

* * *

Exchange Fluctuations

THE tendency of the British pound to decline in terms both of gold currencies and the Canadian dollar must be regarded as an influence somewhat adverse to the price of wheat. Great Britain forms such a large part of the international wheat market that there is always a tendency for wheat prices to remain steady in sterling values as against fluctuations in the value of the pound, and this has been noticeable ever since the British pound first slipped from the gold standard. Then, of course, the varying relation of the pound and the Canadian dollar has its effect in recording the international price in terms of Canadian currency.

Exchange fluctuations and especially the prospect of any considerable variations in the near future always have a tendency to hamper dealings in wheat, as also other branches of international trade, increasing as they do the possibilities of loss by traders, and increasing reluctance to make forward commitments in commodities.

DIVIDEND NOTICES

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 34

NOTICE IS HEREBY GIVEN that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable October 1st, 1934, to shareholders of record September 15th, 1934.

F. J. MAW,
Secretary.

Hamilton, Ont., August 29, 1934.

Imperial Tobacco Company of Canada, Limited

— Dividend —

NOTICE IS HEREBY GIVEN THAT an Interim Dividend (No. 109) of one and three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on Saturday, the 29th day of September, 1934 to shareholders of record at the close of business on Friday, the 14th day of September, 1934.

That a Semi-Annual Dividend (No. 45) of Three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Saturday, the 29th day of September, 1934 to shareholders of record at the close of business on Friday, the 14th day of September, 1934.

By Order of the Board

F. P. L. LANE,
Secretary.

Montreal, P.Q.
31st August, 1934.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

Notice is hereby given that a Quarterly Dividend (No. 24) of 1¾% upon the outstanding Preference Shares of the Company has been declared, the said Dividend to be payable on or after the First day of October, A. D. 1934, to Shareholders of record at the close of business on the 15th day of September, 1934.

Notice is also given that a Dividend (No. 19) of Twenty-five Cents (25c) per share on the No Par Value Common Shares of the Company issued and outstanding has been declared, payable on and after the 30th day of September, A. D. 1934, to Shareholders of record at the close of business on the 15th day of September, 1934.

By Order of the Board,

J. G. WALFORD,
Secretary-Treasurer.

Calgary, Alberta,
August 28th, 1934.

Grain and Milling in Canada

MARKET AWAITS EXPECTED JUMP IN EXPORT SALES

Price Spread Between 'Peg and Liverpool Withholds Demand

From Our Own Correspondent

WINNIPEG.—The wheat market might be described as in a stage of waiting for the expected large increases in Canadian export of wheat to materialize, for in spite of calculations that the rest of the world is going to take a great deal more Canadian wheat this year than last, the movement is slow in getting under way. There is not much actual increase in the clearances of wheat from Canada, or in movement of grain down the lakes by exporters in preparation for such movement. While deliveries from the new crop in Western Canada have been heavy considering the small size of the crop and the earliness of the season, lack of buying power in the market has been just as pronounced.

Slowness of British buyers to accumulate Canadian wheat has been partly attributable to the extent of discussion which has taken place of the Canadian policy of maintaining the Canadian level of prices so far above Argentine prices as has been the case, and a feeling that the prices were bound to work more closely together if Canadian wheat is to move in the expected volume this year. Continental countries, such as Italy, which presumably must increase the scale of their buying this year, apparently intend to move as slowly as possible in that direction, drawing on their reserves and on new crops until later in the season.

Operators Fearful

The fact that the Government agency in Canada has been credited with supporting buying has to some extent been responsible for reluctance of other purchasers to commit themselves. In addition such influence as Chicago exerts on Winnipeg has lately been of a negative character. For one thing the situation in corn and other feed grains tends to shift the interest from wheat to such grains, while there is also talk of Government efforts in that country being used to prevent too large advances in the price of food as the result of this year's drought.

Such suggestions, which impair the possibility of any runaway market in wheat, tend to slow down buying in Chicago and also to accelerate the delivery of wheat by farmers.

As the season advances it is quite possible that the factors which are expected to correct the over supply of wheat during the current crop year will exercise a greater effect on the market. Chief of these will be the gradual reduction of the North American carryover. Then as harvest time in Australia approaches the small production of wheat in that country this year may attract greater notice. It is true that conditions in the Argentine still seem reasonably good, but it will be beyond all expectations if the new crop approaches in size the extraordinary heavy crop of last year.

Fraser Cos. Bondholders Accept Common Stock

Holders of over $1,500,000 bonds in Fraser Companies Ltd., manufacturer of pulp, paper and lumber in New Brunswick, have agreed to accept the company's offer of common shares in lieu of interest.

This will involve the issuing of over 7,500 shares, payable on the basis of five shares of common for interest on each $1,000 bond.

Protein Content High This Year But Below 1933

From Our Own Correspondent

WINNIPEG.—This year's wheat crop in Western Canada seems likely to grade high in protein content, but at the same time to contain considerably more of lower grade grain than last year's crop. Results of rust and of summer frosts are showing up in light weight kernels, resulting in forcing some wheat into lower grades because of light weight per bushel, but grain of that type is characteristically high in protein.

This is indicated by the fact that of the samples from Saskatchewan tested at the laboratory of the Board of Grain Commissioners in Winnipeg, grain of grades 1 hard and Northern tested 15.4 per cent protein, while the 2 Northern samples went 15.9 per cent and the 3 Northern samples 16.6 per cent. While such a condition helps the value of the lower grades it only partially offsets the fact that light weight grain does not give the same flour yield as heavier wheat, since the bran takes up proportionately more of the bulk and the weight.

It is not to be expected that the high protein yield of the early samples already tested will be fully maintained during the crop year, as the first samples available are naturally those of the early ripened wheat of the south country, while both the soil and the weather of the more northern districts contribute to give wheat from that area somewhat less average protein content. Nevertheless northern samples so far examined seem to be above average in protein content.

SMALL OAT CROP LIKELY TO CAUSE SHORTAGE OF SEED

Sask. Farmers Being Told to Hold Good Seed for 1935

From Our Own Correspondent

REGINA. — Saskatchewan will more than likely face a seed oat shortage next spring, according to present indications. Frost followed by heavy rains before much of it was cut has left very little quality oats available for marketing or seed.

Most of Saskatchewan oats come from the northern district which have been hit by severe frosts early this year. The situation is liable to be acute before seeding time next spring. The northeast section has one third less oat crop this year and the northwest, from where most of the seed comes, has been seriously affected by frost and rain.

Farmers Hold Oats

A governmental and wheat pool campaign is now under way to instruct farmers to hold their seed oats or oats that would make good seed to help alleviate the situation. Over a number of years the oat crop has averaged 120,000,000 bushels in Saskatchewan, but for the last two years it has been down below the 80,000,000 mark with a great percentage of it not fit for seed this year.

In connection with wheat many paradoxes have presented themselves. Along the Soo Line which expected a yield of about three or four bushels an acre, the yield has reached eight and nine bushels instead. In other districts where a greater yield was anticipated it has been less. Prospects in the north looked good until frost reduced the quality.

Farmers have been making heavy deliveries considering the size of the crop. Sales while only normal for an average-sized crop reveal how pressing the need of the farmer is for ready cash. In Indian Head district, for example, farmers have been selling heavily. They have been netting about 5 cents per bushel clear. A constant stream of trucks is carting grain from farms to elevators.

The Dominion entomological laboratory is now conducting a survey of grasshopper infestation as it will affect the 1935 crop. Indications at present are that it will be less. Some districts may be heavily infested, but on the whole a less serious hopper situation will face Saskatchewan farmers next year.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Aug. 31	54,788,508	53,933,031	63,462,360
Country elevators, Aug. 24	66,585,882	64,154,131	73,327,391
Total, all points, Aug. 24	184,530,023	135,204,498	196,593,722
World Shipments, incl. flour, Aug. 28:			
North America	3,801,000	4,561,000	4,475,000
Argentine	3,430,000	3,494,000	3,920,000
Black Sea*	192,000	8,000	168,000
Australian	3,109,000	2,209,000	2,439,000
Total, world	11,188,000	10,752,000	11,522,000
Visible Stocks:			
United States, Aug. 28	115,223,000	114,752,000	141,604,000
Argentine, Aug. 21	18,370,000	19,105,000	12,492,000
Australian, Aug. 28	45,000,000	47,040,000	20,000,000
Country Marketings and Exports:†			
Canadian exports, Aug. 24	2,984,527	3,028,372	3,186,242
Cum. to Aug. 24 (4 weeks)	10,984,997	8,000,470	11,291,417
Prairie marketings, Aug. 17	3,002,817	1,509,147	4,925,052
Cum. to Aug. 17 (3 weeks)	6,014,734	3,011,917	6,845,793
Country deliveries, Aug. 31‡	19,875,000	8,943,000	8,760,000
Country loadings, Aug. 31‡	12,442,000	7,603,000	7,108,000

*Includes So. Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Sept. 4

Crop year from Aug. 1, 1934 High	Low		Open Aug. 29	High for week	Low for week	Close Sept. 4
		Wheat				
.95	.80¼	October	.81¼	.82¾	.80¼	.81⅞
.97	.81	December	.82⅜	.83⅞	.81	.82¾
1.00½	.85⅛	May	.86½	.87⅜	.85⅛	.86⅞
		Oats				
.47⅝	.40⅜	October	.45¼	.47⅝	.45	.46⅜
.47⅝	.40⅛	December	.44⅞	.47	.44¾	.45¾
.49⅝	.41⅛	May	.46	.48	.45¾	.47
		Barley				
.64	.49⅝	October	.58⅛	.60⅞	.58	.60⅜
.63	.51	December	.58	.60⅞	.58	.60⅜
.63⅜	.57¼	May	.59⅝	.62½	.59⅛	.62½
		Flax				
1.73½	1.60	October	1.62½	1.66	1.60½	1.62½
1.74¾	1.60½	December	1.62½	1.66¾	1.60½	1.62½
1.73½	1.65½	May	1.69	1.71¼	1.65½	1.68¼
		Rye				
.76½	.61¾	October	.69¼	.72⅛	.69¼	.70½
.77	.62⅞	December	.70¼	.72¼	.69⅞	.71
.80⅛	.71⅛	May	.73¼	.75	.72½	.73⅞

MAY SHIP TO U.S. LOW-GRADE FEED FROM NORTHWEST

Agent Appointed in Canada to Make Purchases Straw and Hay

From Our Own Correspondent

WINNIPEG.—Shortage of feed in the United States is emphasized by the fact that the United States Government has appointed an agent in Western Canada to make extensive purchases of hay and straw. Whether the West can spare these commodities is a matter of controversy, but the weight of opinion is that it will pay the country to ship them.

It is claimed that a market is opening up for large quantities of low grade hay from northern lands which would not ordinarily be cut, lacking a market to which it could be shipped, and that the straw which may be baled and sent south would otherwise remain a waste product.

Burn Surplus Straw

In spite of urgent warnings that all available feed in the West should be conserved, hundreds of straw stacks have already, following usual custom, been burned. The reason of course is that straw, because of its comparatively small nutritive value, while it may be employed on the farm where grown, is not usually marketable, and any quantities beyond what can be utilized on the farm constitute a nuisance.

Shipping low-grade feed any great distance to cattle is always an expedient of doubtful value, so far as money returns are concerned, and past experience in Western Canada where it has been tried does not encourage its continuance. Cattle which have had to be fed for market have seldom made gains commensurate with the cost of such feed. When, however, breeding stock or milch cows are carried through on such feed the case is different. It is understood that the efforts of the United States Government in this connection relate principally to such cattle, provision having been made for the slaughter of beef cattle for which no feed is available.

Amount of Imports Uncertain

The extent to which feed grain will be imported by the United States is not yet clear, although provision has been made that such grain may be imported duty free when going through relief agencies direct to farmers. Harvest is yet to take place of the very small corn crop which is expected to cause a scarcity of feed grains, and there are still large reserves of corn in the country.

Actual deficiency of supplies, therefore, so far as grain is concerned, is months ahead, while the hay shortage, because of deficiency of grass growth this year will be mainly felt between now and spring.

Quebec Timber Limits Sold to Montreal Firm

From Our Own Correspondent

MONTREAL. — Maritime Operating Corp., Montreal, has purchased the lease on 524 square miles of Crown timber limits sold by public auction by the Provincial Department of Lands and Forests. The price paid was $150 a mile, plus the regular stumpage dues and ground rent.

Sale of the lease on the property, formerly the holdings of the bankrupt St. Lawrence Pulp and Lumber Corp. and the bankrupt Bonaventure Pulp and Paper Co., was made with the province that the buyers pledge themselves to operate a mill before November 15, 1935, said mill to have a capacity of 100 tons of either pulp, paper or a cellulose product.

It is understood that the Maritime Operating Corp. is controlled by the same interests which recently purchased the pulp mill at Chandler, P.Q. These interest, though never officially admitted, are said to be closely identified with Canadian Celanese Corp., manufacturers of celanese or synthetic silk from acetate yarns.

R. K. Beairsto Promoted by the Dominion Bank

R. K. Beairsto, formerly supervisor of western branches of the Dominion Bank, has been appointed an assistant general manager. The appointment was announced last week by Dudley Dawson, general manager of the bank.

Mr. Beairsto, who is a native of Winnipeg, joined the Dominion Bank in 1901 and has served at a number of the bank's branches in western Canada. In 1910 he was manager at Saskatoon, manager at Calgary in 1911, and in 1920 succeeded the late F. L. Patton as manager of the Winnipeg branch.

Mr. Beairsto was appointed supervisor of western branches in 1932, and now receives the appointment of assistant general manager with headquarters in Winnipeg. He will have charge of the bank's branches in the west.

Can. Ins. Shares Meeting to be Held September 24

A special general meeting of shareholders of Canadian Insurance Shares will be held at Toronto on Sept. 24 to consider a proposal to give delinquent shareholders the option to receive fully paid up stock to the amount of their partly paid subscriptions or to pay up subscriptions in full. The shares would be allotted at the rate of $50 a share regardless of the subscription price.

A former resolution charging interest on overdue subscriptions has been rescinded by directors. The board has also approved the necessary by-laws to reduce the capital stock and to allow holders of partly paid shares to convert their holdings into fully paid shares for the amount actually paid in. Shareholders will be asked to approve the by-laws.

Railway Earnings

10 Days End. Aug. 30:	1934 $	1933 $	Increase $
C. P. R.	3,948,000	3,526,000	422,000
C. N. R.	4,886,852	4,837,927	48,925

PLAN NO CHANGE IN SOVIET TRADE ON LEAGUE ENTRY

Canadian Embargo on List of Russian Goods Will Remain

From Our Own Correspondent

OTTAWA — Admission of Russia to the League of Nations will have no immediate effect upon Soviet-Canada trade relations, according to prominent officials of the Government at Ottawa.

The embargo placed against a limited number of Russian goods will remain in force, unless revised by order-in-council. The fact that Russia joins the league will leave unchanged the legal barriers to her exports in Canada.

Against Admission

Enquiries at Ottawa on the eve of Mr. Bennett's departure for Geneva indicated, strongly, that the antipathy of the Government to the Soviet continues. The delegation, it is learned, has come to no decision, but will be prepared to listen to the arguments for and against admission and decide accordingly.

But while the embargo will not be affected, the Government would be disposed to view with greater favor the efforts of various importers to build up a trade in commodities which do not compete with Made-in-Canada goods.

Reports appearing in the daily press, which have been uniformly favorable to a resumption of trade with Russia, failed to give due weight to the fight the Bennett Government has put up to oust Soviet lumber and other products from the British market. They failed, also, to stress the real reasons for the embargoing of Soviet coal, lumber and other products.

Embargo Authority

The embargo rests upon an amendment to the Customs Act passed in 1931 which reads:

"The governor-in-council may, from time to time, prohibit the importation into Canada of any goods originating in and exported directly or indirectly from any country not a contracting party to the Treaty of Versailles, executed at Paris, France, on June 28, 1919, and any order of the governor in council prohibiting the importation into Canada of any goods from any such country shall be published in the next following issue of the Canada Gazette. Any goods imported in violation of the terms of this section shall be forfeited to the Crown."

This section was interpreted here last week as meaning an "original signatory to the treaty." This, of course, Russia can never become and her status under this section will not be improved one iota by joining the league. In addition, when the embargo was put on, the government through the late Hon. E. B. Ryckman, issued a statement declaring that the real reason for it was that intolerable conditions of state labor prevailed in Russia and that Canadian workers would never be exposed to such competition.

Removal of obstacles to Soviet trade, therefore, is not expected under the present government whatever may happen at the pending session of the League of Nations.

FARM PROGRAMME UNDER NEW DEAL DUE FOR CHANGE

(Continued from page 9)

industries under the N.R.A. programme have been at the expense of the farmer. Such items as agricultural machinery, fertilizer, seeds, building materials, spray materials and other supplies have gone up in price and thus largely offset increases in the prices of farm products. Farmers in Canada, on the other hand, have been the chief gainers during the past year since prices of domestic farm products advanced 13 per cent in comparison with only 6.8 per cent for all commodities.

Because of the serious feed shortage, the Administration estimates it is necessary to remove 11,000,000 cattle as soon as possible. To accomplish this goal, however, monthly purchases will have to be increased to about 2,250,000 head. Over 5,000,000 head of sheep will also be purchased, beginning at an early date.

May Need New Stock

Prior to the drought and the government's buying programme, the number of cattle was the largest on record, low prices since 1930 having discouraged slaughter. But this situation has now more than righted itself. The United States may have to buy stock from Canada to replenish herds as well as supply the demand for fresh meat some time in the future.

In contrast with the present high prices of hogs, up to June the farm price of hogs was the lowest in relation to the price of corn in the twenty-five years that records have been kept. The fall hog crop will probably be about a 40 per cent reduction from past levels. In view of the low corn supply, it is expected that the spring crop will be low. Before the A.A.A. over a period of years the number of hogs tended to balance with the supply of corn, and it has been stated by A.A.A. officials that they would like to maintain this ratio. Poor pasture conditions and the unfavorable results from all the feed crops has greatly increased the requirements for corn. Exports of corn to Canada are mainly for feed purposes although some is used for processing and distilling. For the year ended June, 1934, the United States supplied Canada with 3,517,869 lbs. of field corn seed.

The developments in the feed markets, of course, affect the dairy and poultry industries. Milk contributes more to both the gross and cash income of American agriculture than any other product.

Loans on Cotton

A $250,000,000 fund has been set up to make loans on cotton at the rate of 12 cents a pound, for various reasons, but in well-informed circles the opinion is that this step, similar to one taken last year, is illogical and unwise. The price of American cotton is now the highest since June, 1930. Corn loans are considered unlikely, expectations being that all corn will be utilized for home consumption. The remainder of the A.A.A. loaning programme will probably be confined to 1935 crops. Advocates of this policy contend farmers are benefited in that they secure funds when the crops are harvested and yet can hold them for better prices.

World Yield Estimates Revised Upward

During the past week estimates of wheat production in 38 reporting countries were revised upward from 2,798,733,000 bushels to 2,819,110,000 bushels, the U. S. Department of Agriculture reports. The present estimate for these countries is now about 10 per cent under the 1933 production of 3,141,024,000 bushels.

Indications are that wheat imports into China in 1934-35 will be considerably reduced, the department states. Imports during the 1934-35 marketing season are expected to approximate 18,000,000 bushels, providing world wheat prices do not advance materially. This forecast of probable imports include three cargoes of government loan wheat now being delivered.

During the 1934-34 marketing season, China imported 20,000,000 bushels and in 1932-33 imported over 45,000,000 bushels of wheat.

Decreased imports during the 1933-34 season were due to a large domestic crop; imposition of tariffs and decreased flour demand.

PURITY FLOUR

A high patent flour milled from Western Canada hard spring wheat

PURITY FLOUR 98 lbs. PURITY FLOUR

Mills operated at Goderich, Winnipeg, Brandon, Calgary and Victoria. Offices maintained from coast to coast.

WESTERN CANADA FLOUR MILLS COMPANY, LIMITED
Head Office, Toronto, Ontario

Other leading products:
Purity Rolled Oats, Purity Salt, Hovis Flour, Pioneer Poultry Foods.

LAKE OF THE WOODS MILLING COMPANY CANADA

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks of foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Ottawa Power

I am looking around for a fairly conservative investment and have under consideration the preferred stock of Ottawa Light, Heat & Power Co. I understand this company is well regarded, but before making any commitment would like to have a report from you.

Ottawa Light, Heat & Power Co.'s preferred stock is well regarded. Over a period of many years the company has established a consistent earning power; its obligations, such as bond interest and preferred dividends, have been covered by a comfortable margin. Last year the company earned $15.50 a share on its preferred stock, compared with $19.34 a share in the previous year. This decline is largely due to an increase in the depreciation allowance from $135,000 to $165,000. If the depreciation charge had been maintained at the previous level, earnings on the preferred stock would not have shown such a relatively large drop. Operations of this company are on a stabilized basis, there being little change reported from year to year in respect to output, number of customers, etc.

Alexandra Apts.

Will you give me any recent information you have on Alexandra Apartments of which I hold a first mortgage bond?

Alexandra Apartments earned bond interest 1.28 times in 1933 we are informed. The sinking fund for the apartment has not been fully maintained throughout the depression but bond interest has been paid regularly. Up to last year, the sinking fund had reduced the original amount of bonds outstanding from $350,000 to $284,000. This building was rebuilt some time before the depression so that it was able to establish an earning power before hard times came along. As a result, it is in a considerably better position than a number of other real estate properties.

Edmonton Bonds

I would like to have some information on the position of the city of Edmonton as I hold a bond of the city.

There has never been any hint of default or compromise on city of Edmonton bonds. However, taxpayers of the city recently threatened to strike against paying taxes unless the rate of assessment is lowered from 64 to 50 mills on the dollar. The city had a total tax levy of $4,136,032 in 1933, of which $1,066,694 was not collected during the year. Debenture debt totals $31,535,559, sinking fund $9,582,012 and other liabilities $2,485,542.

Last year the city had to meet large debt maturities, and depleted some of the better securities in its sinking fund in doing so. The area surrounding the city is prosperous and the northern Alberta crop promises to be the best in western Canada. Reports show the Edmonton area is particularly fortunate in this respect this year, and this naturally tends to help the city's financial position.

Canadian Hydro

I have noted that the preferred stock of Canadian Hydro-Electric Corp. is selling at a fairly substantial discount. Can you let me know something about this company and if its earnings are sufficient to cover the dividends on the first preferred stock?

Canadian Hydro-Electric Corp. is principally a holding company for the Gatineau Power Co. The latter controls important power developments on the Gatineau River and on the St. John River in New Brunswick. Altogether the company has developed approximately 600,000 h.p. Except for a small amount of power which is retailed, the company is primarily a wholesaler of power. Its principal customers include Ontario Hydro, Canada Cement, Ottawa Electric, E. B. Eddy Co., Canadian International Paper, Fraser Companies, etc. The revenue received by Canadian Hydro from Gatineau and other subsidiaries has been more than sufficient to cover dividend requirements on its first preferred stock. In 1931 the company reported earnings on its first preferred amounting to $18.44 a share; in 1932, $21.82; and in 1933, $19.78. It is understood that earnings during the current year have been well maintained and no difficulty should be experienced by the company in covering its dividend requirements. One reason why the stock of this company is selling at a discount is its close affiliation with the International Power and Paper organization. The latter has been experiencing some difficulties owing to adverse business conditions and the relatively poor market for newprint.

Burns & Co.

Would like to know how Burns & Co. is doing since reorganization.

It is understood that earnings of Burns & Co. for the first three months of the current year were very satisfactory and would cover bond interest requirements by a considerable margin. The improvement was due to the rising price of bacon in Great Britain. At this time, the volume of shipments, too, was satisfactory. Net earnings in April, May and June, on the other hand, were not as satisfactory, it is understood, because just the opposite trend in prices was encountered. Usually it takes five weeks from the time the hogs are bought for the bacon to reach the consumer. As the live hog prices are based on bacon selling prices at the time of purchase, if the price rises there is an automatic profit for the packer but if the bacon price of hogs falls during the period of processing, there is quite likely to be a loss. Since June, however, bacon prices in Great Britain which are the main factor in setting hog and bacon prices in Canada, have been fairly stationary and more recently a slight rise has been reported. This should result in satisfactory profits for the packer again. Beef, another important product of the Canadian packer, has been very low in price in Canada until the last few months when the market has become firmer. It is difficult to get definite figures and information from Burns & Co. but we believe that this company in common with other abattoirs should have a considerable inventory. This being the case, Burns & Co. will benefit from any increases in beef, pork and other meat prices which might take place in the near future.

Loblaws

How do Loblaw's sales and earnings this year compare with 1933? Are there any new developments?

Loblaws A and B shares earned $1.12 for the year ended May 31, 1934, as against $1.18 in 1933. In both years, $1 a share was paid in dividends. Gross sales of the company in 1934, amounted to $14,780,558 as compared with $14,219,053 in 1933. Despite this increase sale net earnings were slightly down from $1,131,852 in 1933 to $1,061,299 in 1934. Working capital at the end of the 1934 fiscal year amounted to $2,788,827 as compared with $2,906,736 in 1933. It is understood that last year's improvement in sales is continuing into the present fiscal year. The company operates 111 grocery stores in Ontario, including 25 markets where meat and vegetables are also sold. At the present time, five new markets are under constructions as well as a cold storage warehouse to be used for holding meats, fruits, and vegetables.

General Brock

I understand there was a recent reorganization of General Brock Hotel Co. and would like to have particulars.

Bondholders of the General Brock Hotel Co. have agreed to a scheme of reorganization which is now binding upon all bondholders. The scheme calls for payment of 25 per cent of each bond in cash, and issue of second mortgage income bonds for the remaining 75 per cent of the security. These income bonds bear interest at three per cent payable only out of profits for the next three years, but after that, at a fixed rate of three per cent.

The hotel has failed to earn profits and has been short of working capital for some time. New interests have made an investment in the property and have obtained control. It is hoped that this will enable bondholders to obtain some income.

Beatty Bros.

Information on current conditions of Beatty Bros would be appreciated.

Beatty Bros. Ltd. manufacturers of farm and household equipment, of Fergus, Ontario, had an operating loss of $158,303 for the year ended Aug. 31, 1933. This was the first annual statement to show a loss since the company was incorporated 21 years ago. After payment of dividend, there was a deficit for the year of $271,688. Surplus carried forward was $1,753,009 as against $2,011,166 for 1932. Dividends of $6 on the first preferred and $7 on the second preferred stock have been paid regularly since the stock was issued but have not been earned in the last two fiscal years. Before that they were earned by a very large margin. This company is in a very strong liquid position with current assets in 1933 of $4,482,671 against current liabilities of $264,583.

Starting over a year ago, it is understood, sales of Beatty Bros have shown steady improvement For the first nine months of the present fiscal year, there was an increase of 23 per cent over the corresponding period a year ago. This increase is reported as general in all lines and includes both the export and domestic business of the company. Collections, it is understood, have also improved. New lines have also been added to the activities of the company's plants which are all understood to be working practically full time.

Canadian Vickers

Can you let me know whether the subsidy paid by the Dominion Government to Canadian Vickers is assigned to the trustee or payable directly to the company? In the event of the company getting into trouble, would the bondholders have first right to this subsidy? Also can you let me know the book value back of the bonds?

The subsidy payable by the Dominion Government under the Dry Dock Subsidy Act to Canadian Vickers is assigned under the trust deed as security for the bonds. In other words the government subsidy of $105,000 annually is the property of the trustee of the bonds rather than of the company. The income from this source approximates 4 per cent on the company's outstanding bond issue. In the event of the company being unable to meet full interest charges, it is our understanding that the bondholders would receive the full subsidy payment, or, as already mentioned, 4 per cent. According to the company's last balance sheet, dated February 8, 1934, there was a book equity of $2,469 back of each $1,000 first mortgage bond.

Canadian Canners

Please let me have Canadian Canners dividend record of the last few years. How is this company doing now?

Canadian Canners Ltd. earned $8.83 on the first preferred stock for the year ended February 28, 1934. This compares with $7.80 earned on this stock in 1933, nothing in 1932 and $13.40 in 1931. Since this stock was issued in 1928, dividends have been paid regularly at the rate of 6 per cent. For the fiscal year ended Feb. 28, 1934, the company showed a net profit of $342,908 as compared with $303,785 in 1933. After dividends there was a surplus for the year of $702 as against a deficit of $147,482 in 1933. It is understood that conditions for all canning companies, Canadian Canners included, have shown material improvement since 1932. Sales have been steadily higher and excessive inventories have been reduced.

Western Steel

Would like some information on Western Steel Products. Is there any chance of a reorganization?

The National Trust Co. is acting as a receiver and manager for Western Steel Products. A report of development during the period of receivership from February 2, 1932, to December 31, 1933, showed that plants of the company at Montreal, Toronto, Winnipeg, Regina and Saskatoon, Calgary, Edmonton and Vancouver, had been kept in operation. The volume of business obtained had declined sharply due to lack of building and construction.

Net operating income for the 12 months ended Jan. 31, 1933, amounted to $323,902 as compared with $144,456 for the eight months ended September 30, 1933. Expenses for the first named period amounted to $436,637 and interest on receiver's loans to $26,946 which resulted in a net loss of $139,681.

The receiver reported that new lines had been added including an agreement with Henry Hope Co. of England for the production of a special type of sash and other products in Canada. Improvement in sales is anticipated from these products. It is believed that the company is in a position to take advantage of the improvement in general business conditions now being reported. The receiver so far has not deemed it advisable to reorganize the company.

Asbestos Corp.

I would appreciate information on the Canadian Asbestos Co., which recently underwent a reorganization. Can you tell me whether or not the company is going to pay interest on the income bonds this year?

You mention in your letter Canadian Asbestos Corp. We presume you refer to the Asbestos Corp. Ltd., a company which was recently reorganized. While there has been an improvement in the position of this company, both from the standpoint of operations and earnings, we do not think that income will be sufficient to permit payment of interest on the income bonds in the near future.

At the beginning of last June the company stated that operations during the first five months of 1934 had shown a loss, the amount of which, however, was only about half the amount of the loss experienced in the corresponding period of 1933. At that time it is expected that the corner would be turned at the half-year and that each succeeding month should show a profit unless some unforeseen conditions arose.

Dom. Engineering

Will you kindly let me have a review of the current position of Dominion Engineering Co.? I hold stocks in this organization and am wondering if it is worth while to continue in view of the apparently limited amount of business available to the company.

Dominion Engineering Co.'s business as you may know, has been rather limited over the last two years. Most of the contracts received by this company come from the pulp and paper or hydro-electric fields, both of which have been rather inactive from the construction point of view for many months past. We are given to understand, however, that there has been some improvement in the company's business of late, due to a fair volume of orders received from the pulp and paper companies for replacement business. The hydro-electric field continues to supply the company with orders, but the big contracts are few and far between.

The management have anticipated the slump in the pulp and paper and hydro-electric business by entering a number of new fields. Subsidiary companies have been formed to develop new lines for the mining, construction and other fields. While the revenue received from these activities has been small, we understand that the returns have been satisfactory and that over a period of time the money spent on this development work should return a very satisfactory profit.

Standard Fuel

We would appreciate it, if you would let us have some information regarding the standing and near term prospects of the preferred stock of the Standard Fuel Co.

For the year ended April 30, 1934, the net profit of the Standard Fuel Co. was $189,431 as compared with $107,797 in the fiscal period ended in 1933. After preferred dividends of $89,692, there was a surplus for the 1934 year of $99,739 which was the best year reported since the company was organized in 1928. For the first time, too, since the company was organized, a dividend of 50 cents per share was paid on the common stock. Last year, the preferred stock earned $13.73 per share and paid $6.50 and the common earned $1.80. Dividends on the 6½ per cent cumulative preferred have been paid regularly.

Much will depend on the weather during the coming winter as to the amount of earnings of this company which deals in coal, wood, and fuel oil, but with a surplus every year since the company was organized, and a balance carried forward at April 30, 1934, of $333,355, it would appear that dividends on preferred are well protected. There are 13,795 preferred shares of a par value of $100 outstanding and 50,000 no par value common. At the end of the last fiscal year, there were no bank loans, mortgages, or any funded debt.

Consolidated Paper

As a subscriber to The Financial Post I would appreciate your opinion on Consolidated Paper Corp. I hold a small amount of bonds and common stock in this enterprise.

Consolidated Paper Corp. has recorded improvement in its operations this year, though the volume of business available does not permit of substantial earnings. The trend in newsprint consumption, however, is more encouraging than it has been for some time past. The low selling price is a drawback, but there is hope that the manufacturers will be able to secure a better return by the end of this year.

With an improvement in prices and the continued up-trend in consumption, the outlook for Consolidated Paper, as well as the other manufacturers, warrants the hope that the companies will again be on their feet before long. In so far as Consolidated Paper Co. is concerned, it has no direct funded debt charges to meet until 1936. If the improvement already mentioned, continues, the company stands a fair chance of being in a position to meet its funded debt charges by that time.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Smelter Gold

I have tried repeatedly to get information about Smelter Gold, and am now asking you if you can help me.

The properties of Smelter Gold Mines were acquired from J. A. McRae. Smelter Gold Mines was first incorporated in March, 1933, with an authorized capitalization of 5,000 shares of no par value. This company acquired a group of nine claims from Mr. McRae, known as the Smelter group, on Elk's Island, God's Lake, for a consideration of 1,080 shares and $6,000 in cash. In June 1933, this first company was taken over by a new company of the same name with an authorized capitalization of 5,000,000 shares of no par value, 1,850,000 shares being issued to the old Smelter Gold Mines for its properties and undertakings. In addition, the new company also acquired a further nine claims from Mr. McRae, known as the Galena group and adjoining the Smelter group. Mr. McRae received 750,000 shares for this property.

We are unable to say how many shares are at present held by Mr. J. A. McRae.

Kirkland-Hudson Bay Gold Mines bought a block of stock in Smelter Gold Mines in September, 1933, and optioned a further block in order to provide finances for development. Early in 1934 Kirkland-Hudson Bay defaulted on its option when Smelter Gold refused to grant an extension of time on a heavy cash payment. The option was then taken up by an unnamed Toronto group, said to have been closely associated with the company since its inception. Under the terms of the option, the new group are to take up the remaining 1,750,000 treasury shares, one block at 30 cents a share and another block at $1. per share, netting the company's treasury approximately $700,000.

Arcadia Gold

I am anxious to get some specific information about Arcadia Gold Mines. Could you supply it?

Arcadia Gold Mines owns a gold prospect in the Porcupine area of Ontario. Early this year the company assumed the property of the old Triplex property in Porcupine and set aside 1,700,000 of its authorized capital of 5,000,000 shares for Triplex shareholders. The basis of transfer is one Arcadia for two Triplex. In addition to this, 700,000 shares were given in payment of bills accruing against Triplex. The remaining 2,600,000 were left in the treasury of Arcadia.

In August of this year, the company announced that arrangements for financing to be applied to extensive development work and the erection of a mill were completed. At present, the company has sunk two shafts about 200 ft. down and about 400 ft. of lateral work has been done. Of an authorized capitalization of $3,500,000 in $1 par value shares, approximately 1,500,000 shares were issued as at July 28.

The company is backed by a group of United States financiers headed by W. E. Dedrick, Long Island, New York. There is little tangible work on the property which would give any fair estimate of its promise and until some definite values are forthcoming from the company it can only be looked upon as a prospect.

Mining Corp.

Is Mining Corp. of Canada a safe investment? What does it offer?

Mining Corp. of Canada has many strings to its bow. Since the suspension of its silver mining operations in the Cobalt area late in 1932 the company has been operating as a holding and exploration company with its interest centred in the development of its subsidiaries, the most important of which is the Ashley Gold Mining Corp., which started production in August, 1932. In this company Mining Corp. owns about 70 per cent interest. Other subsidiaries include Base Metals Mining Corp., Cobalt Reduction Co., Frontier (Lorrain) Mines, Lorrain Operating Co., Mincor Exploration and Development Co., McGill Gold Mines and Normetal Mining Corp. and Quemont Mining Corp. In addition, the company owns interest in Lorrain Trout Lake Mines and Hudson Bay Mining & Smelting Co. in which it owns 185,499 shares.

In May of this year the company formed another subsidiary, the Laguna Gold Mines Ltd. to consolidate and rehabilitate the properties of the Manitoba Metals Mining Co. and the Herb Lake Consolidated Mines, both of which are controlled by Mining Corp. At present the company is deepening the shaft from the former 423-ft. level and conducting a diamond drilling programme. Mining Corp., itself, paid its last dividend, a semi-annual distribution, of 12½ cents per share on December 15, 1929. Up to this time the company has paid $7,573,937 in dividends. There have been no dividends from Mining Corp. since.

Ashley Gold Mining Corp., during the quarter ended June 30, 1934, milled 10,834 tons of ore averaging .298 oz. gold per ton of which 17.9 per cent was from the surface sump and development bases. Since production started 66,224 tons of ore have been treated, with a gold content of 28,620 oz. or an average of .432 oz. per ton.

As a result of depressed base metal prices the company is, of course centring its interest on its gold properties, none of which have paid any dividends. Mining Corp. has an authorized capitalization of 2,000,000 shares of which 1,826,055 are issued or outstanding. The investment interests of the company have proven an important source of earnings, but income from investments in base metal mines has been deferred owing to low prices. The company has no funded debt and a balance sheet as at December 31, 1933, showed current assets totalling $143,926 as against current liabilities of $81,743 leaving a working capital, excluding investments in other mining companies of $62,183 at that date Its head office is at 350 Bay Street, Toronto.

Castle Trethewey

What is the present standing of Castle Trethewey Mines and prospects for re-opening?

Castle Trethewey Mines is an exceptionally well managed silver property that was forced to shut down some three years ago when the severe drop in silver occurred. It is under the management of the McIntyre Porcupine Mines. The Financial Post understands from a usually reliable source that now the 50 cent silver price is practically assured directors of the company are considering resuming operations. It is not known to have any large amount of ore but when operation was suspended, work was in a new and most interesting section. The annual report for the company covering the fiscal year ended March 31, 1934, showed a big increase in the market value of the securities. The revenue last year, principally from dividends on securities held, amounted to $42,691 and expenses, exclusive of depreciation were $6,934.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action." — Shorter Oxford English Dictionary.

Stamps

WORKING a racket through a very junior member of the family has been a favorite custom for years. A very annoying practice of this type is used by certain salesmen of stamps to collectors.

The boy or girl reads a small advertisement asking him to write to a certain address, usually a general post office box, for a trial shipment of stamps. Perhaps he is simply requested to send for a catalogue. In any case, a collection of very ordinary stamps comes along with a note asking him to remit a dollar or more in total payment.

Sometimes the scheme varies. Perhaps prices are quoted and when the young chap sends in a portion of his scanty supply of pocket money more stamps are returned than were requested. Invariably, the receiver is apt to pay the full amount. Being very young, perhaps the latter will throw away the letter and concentrate on the stamps. A week or two later another letter arrives demanding the full amount of the money requested.

A rather glaring piece of petty extortion came to the attention of The Financial Post recently. In addition to sending decidedly more stamps than were requested, the sender also tried to collect what was termed a "nominal" interest charge of 15 cents. This was asked whether the purchase was made or not. It was explained that this charge merely covered the ten days required to send the stamps and return them. It was termed a fair charge for the use of the dealer's capital during that period. To cap the transaction, the stamp dealer requested that this 15 cent charge be made in unused United States stamps although the company gave a Canadian address in the advertisement and in the letters sent.

The second notice sent out to the receiver stated that any stamps removed would have to be paid for whether they were returned loose or not. It was explained that credit for such loose stamps could not be given as they had no value to the company when once removed from the collection. Just what advantage they would have to the collector when he removed them and added them to his own album was not specified.

PEROXIDE PLANT LATEST ADDITION C. I. L. ACTIVITIES

Plans Call for Outlay of $250,000 at Shawinigan Falls

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. has undertaken construction of the first hydrogen peroxide plant in Canada, through an extension of the Cellophane factory at Shawinigan Falls.

The work is being carried out by Fraser, Brace Ltd., who were responsible for the erection of the rest of the factory and the cost is estimated to be around $250,000.

Supply Raw Materials

Raw materials for the hydrogen peroxide will be ammonia, made synthetically at Sandwich Ont., and sulphuric acid made at Copper Cliff, Ont., while the power which is necessary for the process will be supplied by Shawinigan Water and Power Co.

Hydrogen peroxide which is widely used for bleaching in the textile trade and as an oxidizing agent in dyeing, will be manufactured in Canada by a special arrangement with B. Laporte Ltd., of London, England, who have been producing it since 1888.

Beatty Criticizes Plan for Western Drought Areas

From Our Own Correspondent

MONTREAL. — Solution of the problem of the drought areas in Southern Saskatchewan is not to be solved by moving people to other parts of the province, according to an opinion expressed by E. W. Beatty, chairman and president of the Canadian Pacific Railway.

Mr. Beatty says the solution of the problem lies rather in the government standing by the farmers who require assistance to bring them through the emergency, coupled with soil conservation on lands adapted to grain growing; and the development of land for grazing purposes, and a policy of water development and conservation for use on the farms.

In enlarging upon this viewpoint, Mr. Beatty explained that he did not mean large schemes for irrigation works, which experience in this country has shown to be too expensive for the returns possible, but rather the development of adequate water supplies for farm use, including stock growing.

Associated Breweries New Units Make Progress

From Our Own Correspondent

MONTREAL. — Satisfactory development of the United States plants of Associated Breweries of Canada, is reported by E. G. Sick, president. The Capilano Brewing Co., of Vancouver, in which Associated have an interest, is meeting with success. Widening of the act in Alberta and that contemplated in Saskatchewan, was inducing increased trade, he said.

INDUSTRIAL ALCOHOL BOARD IS COMPLETED

Hon. Gordon Scott Elected to Presidency of Company

From Our Own Correspondent

MONTREAL. — Announcement is made of the appointment of four new directors to the board of Canadian Industrial Alcohol Co. and the election of the Hon. Gordon W. Scott as president of the company.

The new directors are Hon. Gordon W. Scott; Hon. Walter G. Mitchell; Geo. H. Montgomery and W. L. Bayer. Hon. Gordon Scott succeeds the Right Hon. Lord Shaughnessy, who resigned from the position of president some time ago.

The company directorate now consists of: Hon. Gordon W. Scott, president; L. V. Wright, first vice-president and Fisher Wilmore, second vice-president; Mrs. Eric Loder, A. M. Reaper, Hon. Walter G. Mitchell, Geo. H. Montgomery and W. L. Bayer. J. Gibson Lawrence is secretary-treasurer of the company.

Chandler Pays Interest Due in 1933 and 1934

Village of Chandler, Que., has been authorized by the Quebec Municipal Commission to pay interest due from Jan. 1, 1933 to May 1, 1934, inclusive, on bonds issued under by-laws eight and 31.

Creditors holding past due bonds are requested to register with Leo Molloy, treasurer of the village, so that cheques may be mailed covering interest.

Suggestions for September Investment

Our September Investment Booklet contains a diversified list of Canadian Government and Corporation securities attractively priced.

This issue also contains a review of Bond market conditions.

Copy of this Booklet will be forwarded upon request.

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As the sales for this 1934 edition have been much heavier than anticipated, we urge you to send in your order immediately, to avoid disappointment.

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LISTS $79,229,735 ONTARIO DEFAULTS MUNICIPAL BONDS

Thomas Bradshaw Shows Aggregate of Defaults at $96,640,819

Complete list of municipal defaults in Ontario as given in the address of Thomas Bradshaw, president of the North American Life Assurance Co., to the Ontario Municipal Association last week, shows that $79,229,735 on Ontario municipal debentures in the hands of investors are in default.

Other municipal obligations in default total $17,411,064, making an aggregate of debt defaults of $96,640,891. This agrees closely with the estimate of "nearly $100,000,000" first disclosed to the public by The Financial Post.

The list given by Mr. Bradshaw is as follows:

Municipality:	Date of default	Debentures in hands of public $
*East York	Oct. 1, 1933	4,279,717
*Etobicoke	June 1, 1933	2,982,161
*Kingsville	June 1, 1934	436,018
*Leaside	Jan. 1, 1933	780,340
*New Toronto	Oct. 1, 1933	1,506,103
*Niagara Falls	Dec. 1, 1933	3,158,034
*Pembroke	Mar. 1, 1934	841,775
*Scarboro Twp.	Dec. 15, 1932	4,259,874
*Thorold	May 1, 1934	725,722
*Trenton	Jan. 1, 1934	931,426
*Weston	July 1, 1934	1,031,434
*York Twp.	Oct. 1, 1933	14,990,808
*North York	Dec. 1, 1933	2,877,932
*Sturgeon Falls	Sept. 1 1933	339,317
*Leamington	May 1, 1934	682,959
*Sudbury	Oct. 1, 1933	2,900,492
*Walkerville	May 1, 1934	2,689,858
Brantford R.C. Schools	......	95,000
Dysart Twp.	Dec. 1932	42,447
E. Sandwich	Dec. 1931	1,770,353
" R.C. Sch.	Dec. 1931	19,587
Eastview	......	578,488
East Windsor	Dec. 1931	4,013,035
" R.C. Sch.	Feb. 18, 1932	755,873
Essex	Feb. 1, 1933	262,761
Fort Erie	July 1, 1934	1,573,276
Hawkesbury	Oct. 1, 1932	407,619
La Salle	Feb. 1932	206,871
" R.C. Sch.	Aug. 1, 1932	36,100
Mimico	Mar. 1, 1933	1,367,650
Pelee Twp.	......	123,558
Point Edward	Dec. 31, 1933	60,839
Riverside	Dec. 1931	2,559,355
" R.C. Sch.	May 1932	149,736
Rockland	Sept. 1, 1933	39,580
Sandwich Town	Feb. 1932	3,001,400
" R.C. Sch.	June 24, 1932	313,432
Tecumseh	Jan. 1932	442,880
" R.C. Sch.	Jan. 30, 1932	68,429
West Sandwich	Dec. 1931	2,446,314
" R.C. Sch.	 1932	53,100
Windsor	Dec. 1, 1932	12,968,102
†Gosfield North	......	......
†Gosfield South	......	......
†Long Branch	......	......
†Ojibway	......	......
†South Sandwich	......	......
Total		79,229,755

*Principal only in default; others principal and interest.

†In the case of those municipalities which show no debentures in the hands of the public, default has been made in obligations either to other municipalities or to boards or commissions.

ONTARIO CIVIC DEFAULT GRAVEST IN ALL CANADA

(Continued from page 9)

to do should be done to maintain that priceless asset—good credit.

Encouraging Default

There have been references made from time to time which have a tendency to encourage default by municipalities, in the expectation that it is an easy way to obtain financial relief and to escape the due fulfillment of the corporation's contracts. There do come times in the affairs of businesses and men when it is absolutely impossible for them to meet their engagements. That time, with very few exceptions, comes only after a supreme effort has been made, and supreme sacrifices have been undertaken, because, in the first place, there is the desire to honorably and faithfully meet that which they have undertaken, and in the second, to preserve their credit and their prestige. The same influences should actuate those who are charged with the administration of our municipalities.

Future of Defaulters

What about the future of those municipalities whose names are now in the default class? Those who have been assigned to assist them, through committees of supervisors, have brought about much needed improvement in administration, established sound budgets, required that those budgets shall be lived up to month by month, reduced taxation, established a sound assessment base, effected very much needed economies, improved collection of revenues, made substantial progress in liquidating long overdue current liabilities, etc.

The plight which those municipalities were in was not the result of one or two years' faulty administration, but generally it was the culmination of wilfully ignoring facts and failing to take remedial steps over a period of several years. In many instances the supervisors found the records and accountancy in a most unsatisfactory condition; an entirely new system had to be installed. They also found that taxes—current and arrears—had been assigned to the banks to secure heavy overdrafts and advances; the banks having a first and secured lien on the revenues had to be paid before bondholders or other creditors.

Task of Rehabilitation

The task now being performed is the revamping of the debenture debt of each one of these municipalities, so that the yearly interest and principal charges will be within the ability of the taxpayers to meet the same. In those cases where default has been in payment of principal, there will have to be a postponement of principal payments for a period of years, and possibly some downward adjustment in the interest rate. In those cases where default has occurred in both interest and principal, there will not only have to be a postponement of payment of principal, but reduction in the rate of interest.

Even after adjustment, the credit of these municipalities will necessarily be affected, but those municipalities which show the greatest amount of earnestness, efficiency and good faith in the administration of their affairs will rehabilitate their credit more quickly and once again regain confidence. Their position is not hopeless by any means, but their future depends almost entirely upon the quality of service of the elected representatives and officials.

TOOKE BROS. TRADING LOSS LESS IN 1934

Report for Fiscal Year Indicates Progress in Recovery

From Our Own Correspondent

MONTREAL.—Tooke Bros. Ltd. reports a smaller operating loss in the year ended June 30, 1934, than was the case in the preceding twelve months. Further, W. K. Trower, in his report to the shareholders, points out that the working capital position of the company continues on a satisfactory basis while the outlook for a further improvement in business continues fair.

In the past fiscal year the company experienced a trading loss of $22,803, to which was added bond interest of $14,913, making a total loss of $37,716. In the previous year the trading loss totalled $139,216 and bond interest $15,975.

Book Loss Down

Particulars of the income account for the past three years follow:

Years Ended June 30

	1934	1933	1932
	$	$	$
Trading loss	22,803	139,216	110,791
Bond int.	14,913	15,975	16,008
Invest. deprec.	......	13,664	14,750
Net loss	37,716	168,855	141,549
Prev. surplus	*42,474	117,387	258,936
Balance	*80,190	*51,468	117,387
Adjust.	......	8,994	......
P. & L. bal.	*80,190	*42,474	117,387

*Deficit.

Working Capital Position

	1934	1933	1932
	$	$	$
Curr. assets	637,161	673,910	823,976
Curr. liabs.	49,244	53,464	41,331
Net work. cap.	587,917	620,446	782,645

Liquid Position Better

The company's balance sheet, dated June 30, 1934, shows a healthier situation than existed at the same time a year ago. While the net working capital is somewhat lower, the liquid position is stronger with inventories reduced by more than $100,000 to $265,474.

There is little change in the value of the company's investments, deferred charges and other assets. Goodwill remains on the books unchanged at $325,785.

Among the liabilities it is noted that outstanding funded debt has been reduced from $235,800 to $223,100. No depreciation was provided for during the year, so that this account is shown at the same figure, namely, $225,849. Capital stock outstanding at the end of last June is unchanged.

Dominion Coal Co.

Expects Active Season

From Our Own Correspondent

MONTREAL.—Expectations are that operations at the mines of the Dominion Coal Co. this winter will be exceptionally brisk. Tentative plans call for a larger coal banking programme this winter. Last winter the company banked approximately 324,000 tons of coal and this is now practically cleaned up, thus presaging a six-day week for the mines from now until the close of navigation in November. Usually the coal banks are not depleted until early November but this year the supply has been exhausted two months sooner.

East Kootenay Power

Revenue Greater in July

From Our Own Correspondent

MONTREAL. — East Kootenay Power Co., subsidiary of Power Corp. of Canada, reports a further improvement in its operating revenue for last July. Gross income totalled $34,829, as against $33,654 a year ago. Operating expenses registered a small gain, leaving net income at $23,263 compared with $22,447 in July, 1933.

Cumulative returns for the four months of the fiscal year ended last July show a gross income of $136,976 and net figure of $91,300. For the corresponding four months period of 1933 gross revenue amounted to $133,541 and net to $88,510.

Canadian Airways Co.

Releases Operating Returns

From Our Own Correspondent

MONTREAL.—Canadian Airways Ltd. report on operations for the first half of 1934 shows that its machines flew 8,427 hours for a mileage of 790,860. The amount of mail, freight and express carried in the half year was 2,733,819 lbs., while 7,574 passengers were transported.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 3

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

September 4, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.50	3.00
Acadia Sugar pfd.	4.50	....
Acme Glove pfd.	24.00	26.50
Allens London pfd. bonus com.	34.25	....
Allens St. Cath. pfd. bonus com.	35.25	....
Allens Toronto pfd. bonus com.	22.25	....
Andian National	35.25	37.00
Atlantic Sug. pfd.	90.00	92.00
B. C. P. & P. pfd.	6.25	10.00
Burns pfd. bon. c.	2.25	3.25
Can. Dom. Sugar	46.50	48.50
Can. Machy. com.	1.25	1.60
Can. Packers com.	36.50	38.00
Can. Packers pfd.	99.00	101.00
Can. Starch com.	8.25	....
Can. Starch pfd.	81.00	....
Can. W. & Cable pfd. WW	69.50	71.00
Can. Indust. A	160.50	....
Can. Indust. B	158.50	161.00
Can. Indust. pfd.	140.00	144.00
Can. Westinghouse	45.50	46.50
Chase, pfd. bon. c.	23.50	28.00
Dom. F. & Steel c.	8.50	10.00
Dom. F. & Steel p.	63.00	70.50
Dom. Manuf. pfd.	65.25	....
Dom. Woollens c.	1.75	2.25
Dunlop Tire pfd.	71.50	75.00
East. Dairies pfd.	10.00	13.00
Federal Grain c.	1.75	2.80
Federal Grain p.	15.00	17.00
For. Power Sec. p.	12.00	14.00
Freiman, A. J., pf.	55.50	60.00
Gen. Stl. Wares p.	35.50	37.50
Goderich Elevator & Transit	6.00	7.00
Greening Wire pf.	69.00	....
Guardian Realty p.	12.50	....
Guelph Carpet pfd.	86.50	89.00
Guelph Carpet c.	10.00	13.00
Harding Carpets Units	32.00	....
Hayes Wheels pfd.	8.50	11.00
Highland Dairy c.	3.25	4.25
Highland Dairy p.	67.00	....
Inter. City Bak. c.	16.00	....
Int. Met. Indust. p.	38.00	45.00
Inter. Paints pfd.	16.00	18.00
Inter. Propriet. A	35.25	....
Loew's Lond. pfd.	3.50	4.20
MacLaren Pwr. c.	15.25	16.75
Mans. Theat. pfd.	25.00	28.00
Massey-Harris pfd.	18.50	19.25
Mt. Royal Hotel p.	1.75	2.50
Nat. Grocers com.	4.00	4.50
New Meth. Laund. pfd. bonus	50.00	....
Niag. W. Weav. pf.	36.00	....
Para. Kitchener p.	35.00	....
Para. Oshawa pfd.	42.00	....
Perfection Pete. pf.	15.50	22.00
Prov. Paper pfd.	79.75	82.00
Rel. Grain pfd.	53.00	56.00
Rob. Cons. Cone	6.50	7.75
Rolland Paper c.	8.00	10.00
Rolland Paper pfd. WW	75.00	78.00
Ruddy, E. L., pfd.	14.25	16.00
Stand. Fuel pfd. bonus	91.75	....
Supersilk pfd.	55.25	57.00
Supertest Pet. B p.	23.75	25.00
Thayers com.	....	7.00
Thayers pfd.	....	40.00
West. Grain pfd. bonus	3.00	6.50
Wood, A. & James pfd.	23.00	26.50

Insurance Stocks:	Bid	Asked
Brit. Amer.	31.50	....
Canada Life	435.50	....
Canadian Fire	52.50	59.00
Confed. Life 20% pd.	124.00	126.50
Cont. Life 20% pd.	36.00	39.00
Crown Life	100.00%	....
Dominion Fire	95.50	....
Dominion Life 50% pd.	167.50	....
Dom. of Can. Gen. Ins.	97.00	104.00
Empire Life 25% pd.	10.00	11.25
Excelsior Life 30% pd.	72.00	78.00
Federal Fire 25% pd.	36.00	....
Great W. Life	337.50	....
Guar. of N. A. fully pd.	216.00	....
Guar. of N. A. 20% pd.	43.50	....
Imperial Life	280.50	....
Manuf. Life	221.00	....
Monarch Life 10% pd.	19.00	20.50
Nat. Life 25% pd.	52.00	....
Sov. Life 25% pd.	15.00	17.00
Sun Life	325.00	....
West. Assur. com.	29.00	33.00
West. Assur. pfd.	33.00	....
Western Life 20% pd.	9.50	12.00
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	130.50	140.00
Chartered Trust	65.00	70.00
Lond. & West. Tr.	36.50	39.50
Premier Trust	....	92.50
Sec. Loan & Sav.	99.50	....
Sterling Trust	....	45.50
Traders Fin. B pfd.	48.00	53.00
Trusts & Guar.	38.50	42.00
Vic. Tr. & Sav.	120.00	129.00
Waterloo Tr. & Sa.	....	87.50
Investment Trust Shares:		
Can. Gen. Invest.	5.00	6.15
Can. Investors	4.00	5.50
Can. Int. Inv. Tr. Units	20.00	....
Can. Invest. Fund	3.25	3.45
Cons. Div. Standard Sec. pfd.	12.00	13.00
Debent. & Sec. p.	22.00	....
Dom. & Anglo Inv. Units	170.00	....
Dom. Scottish Inv. Units	22.00	25.00
Invest. Foundation Units	34.50	37.25
Sec. Holding Units	11.00	12.25
United Corpns. A	10.00	12.00
United Corpns. B	2.25	....
Power Issues:		
Calgary Power pf.	88.00	90.00
Can. L. & P. com.	20.00	....
Can. W. Nat. Gas L.H.&P. pfd.	91.50	93.00
Great Lakes P. pf.	39.50	....
Marit. T. & Tl. pfd.	12.00	13.25
N. B. Tele. com.	9.50	10.75
N. S. L. & P. com.	40.50	....
N. S. L. & P. pfd.	88.50	....

Recent London Quotations:

Brit. Col. Tele. pfd.	$100
Brew. & Distillers	3s. 4½d.
Can. & For. Secs.	4s. 6d.
Can. Collier A inc. stk.	38
Do., B	7½
Can. N. W. Land	£1½
Can. West. Lumber	2s.
Hudson's Bay	25s.
Do., pref.	102s. 6d.
Internat'l Holdings	$1½
Nfld. Pr. & Pap. deb. stk. B5½%	103
Trust & Loan (15s. pd.)	3d.

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto

September 5, 1934

Dominion of Canada Bonds

			Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	106.87	107.37	1.96
†Dominion	5½	1 Dec., 1937	110.00	110.50	2.12
Dominion	5½	1 Nov., 1934	100.35	100.55	1.98
Dominion	3½	15 Oct., 1935	101.30	101.70	1.91
Dominion	4	15 Oct., 1935	101.75	102.25	1.96
Dominion	5	15 Nov., 1936	105.25	105.75	2.28
Dominion	4	15 Oct., 1939	104.75	105.25	2.89
Dominion	4½	1 Sept., 1940	107.37	107.75	3.07
Dominion	5	15 Nov., 1941	110.85	111.25	3.24
Dominion	5	15 Oct., 1943	111.87	112.37	3.41
Dominion	4½	15 Oct., 1944	107.87	108.37	3.51
§Dominion	4	15 Oct., 1943-45	103.87	104.37	3.44
Dominion	4½	1 Feb., 1946	107.60	108.10	3.63
§Dominion	4	15 Oct., 1947-52	103.75	104.10	3.62
§Dominion	4½	1 Nov., 1946-56	106.90	107.40	3.75
§Dominion	4½	1 Nov., 1947-57	106.90	107.40	3.79
§Dominion	4½	1 Nov., 1948-58	107.30	107.60	3.81
§Dominion	4½	1 Nov., 1949-59 (with talons)	107.50	107.75	3.84
Dominion Guaranteed Bonds					
xCan. Nat. Ry.	4½	1 Sept., 1951	108.75	109.50	3.74
*Can. Nat. Ry.	4½	1 July, 1957	107.75	108.50	3.93
Can. Nat. Ry.	5	1 Feb., 1954	113.50	114.00	3.96
xCan. Nat. Ry.	4½	15 June, 1955	111.87	112.50	3.87
xCan. Nat. Ry.	4½	1 Feb., 1956	109.00	109.75	3.81
xCan. Nat. Ry.	4½	1 Dec., 1968	104.25	105.00	4.22
§xCan. Nat. Ry.	5	1 Oct., 1969	114.00	114.75	3.95
§xMontreal Harbor Cm.	5	1 Nov., 1969	114.50	115.50	3.92
Provincial Government Bonds					
*Alberta	4½	1 Oct., 1956	93.50	95.50	4.83
Alberta	6	1 Mar., 1947	103.50	105.50	5.39
*British Col.	4½	1 Oct., 1953	92.00	95.00	4.90
British Col.	5½	1 Feb., 1945	101.00	103.00	5.12
British Col.	6	15 Feb., 1947	101.50	103.50	5.61
xManitoba	5	2 Dec., 1959	100.00	101.50	4.90
Manitoba	5½	1 Oct., 1955	102.00	104.00	5.19
Manitoba	6	1 Apr., 1947	104.50	106.00	5.35
*N. B.	4½	15 Apr., 1960	105.00	106.00	4.36
N. B.	5	2 July, 1963	112.00	113.00	4.22
N. B.	5½	15 May, 1950	112.00	113.50	4.32
N. Scotia	4½	15 May, 1943	104.00	105.25	3.80
*N. Scotia	5	1 Mar., 1960	112.50	113.50	4.14
xOntario	4	1 June, 1962	102.50	103.50	3.80
xOntario	4½	1 Sept., 1944	107.00	108.25	3.51
Ontario	4½	1 June, 1950	106.50	107.00	3.91
xOntario	5	2 Dec., 1960	116.00	116.50	3.99
Ontario	5½	1 July, 1946	114.50	115.25	3.90
§Ont. H. C.	3½-4-5	1 Oct., 1952	99.00	99.75	3.81
xOnt. H. C.	4	1 Aug., 1957	102.25	103.25	3.79
Ont. H. C.	4½	1 Jan., 1970	110.00	112.00	4.11
Quebec	4½	1 Aug., 1958	104.50	105.50	3.89
Sask.	5	1 Aug., 1958	93.50	95.50	5.33
*Sask.	5	1 Nov., 1959	94.00	96.00	5.29
Sask.	5½	1 Oct., 1952	98.50	100.00	5.50
Sask.	6	15 Mar., 1952	101.00	103.00	5.73
Municipal Bonds					
*Calgary	5½	2 June, 1944	92	95	6.18
*Edmonton	5½	1 Nov., 1945	92	95	6.11
*Halifax	5	1 July, 1961	109	110½	4.34
Hamilton	5	1 May, 1950	108	109½	4.18
Montreal	5	1 Mar., 1945	102	103½	4.59
Ottawa	4½	1 July, 1948	103½	105	3.93
*Quebec	5	1 June, 1950	103½	105	4.66
Regina	5	1 July, 1944	83	88	6.66
St. John	5	15 Dec., 1950	106	108	4.32
*Toronto	4½	1 Jan., 1955	105	107½	3.96
Victoria	5	21 July, 1945	93	97	5.37
Winnipeg	5	1 Mar., 1944	96½	99	5.13

†Tax Exempt Issues. *Payable in Canada and New York. §Yield at call price. xPayable in Canada, New York and London.

Winnipeg Stock Exchange

(Transactions from Aug. 25 to Aug. 29)

Div. rate $	Yield in %		Sales	High for period	Low for period	Close Aug. 29
..	..	Adanac	11,500	.35	.31	.35
..	..	Bankfield	200	1.25	1.25	1.25
..	..	Gabrielle	1,100	.67	.65	.67
..	..	Island Lake	3,000	.09½	.09	.09
..	..	Juno Gold	25	1.50	1.50	1.50
..	..	Manitoba Basin	1,000	.02	.02	.02
..	..	Normandy	14	.775	7.00	7.75
..	..	Oro Grande	300	.12	.12	.12
..	..	Roche Long Lac	1,000	.30	.30	.30
..	..	Rice Lake Units	2	25.00	25.00	25.00
..	..	Scotia Gold	100	.25	.25	.25
..	..	Vanson Manitoba	450	.35	.30	.30
..	..	Wingold	3,000	.56	.52	.53

Stocks Not Traded In During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Sov. Life 25% pd.	..	15
Beaver Lumber, pf.	..	60	Traders' Bldg.	..	65
Crescent Cream, pf.	..	25	Un. Grain Growers	10½	..
Federal Grain pref.	15½		West. Breweries	1	..
Great-West Life	320		Can. Amer. Tr. sh.	2.50	2.75
Home Investment	20		Can. Inv. Fund	..	3.40
Northern Mtge.	..	5	Fundamental Ser. A	3.85	4.40
Northern Trust	..	15	Fundamental Ser. B	3.60	..
Pelissiers, com.	.25		Grouped Inc. shs.	..	3.95
Pelissiers, pref.	..	23			

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending September 3, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Range 1934 Low
McNish	6	1948	..	3.50	3.50	....	4.25	2.75
Mtl. L. H. & P. debs.	3	1939	3.69	47	47½	47	47½	43
Refund. Loan	5	1943	3.56	111.75	111.00	..	111.00	106.50

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Acadia Sugar, pfd.	30c.	7½c	Sept. 1	Aug. 18
Do., on arrears	...	7½c	Sept. 1	Aug. 18
Acme Glove, pref.	$3.25	81¼c	Sept. 15	Aug. 31
Agnew-Surpass, pref.	7%	1¾%	Oct. 1	Sept. 15
Associated Breweries, com.	...	25c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Bruck Silk Mills	$1	25c	Oct. 15	Sept. 13
Bell Telephone	$6	$1.50	Oct. 15	Sept. 22
Belding-Corticelli, pref.	7%	1¾%	Sept. 15	Aug. 31
Brazilian Traction, pfd.	$6	$1.50	Oct. 1	Sept. 15
B. C. Power, A	$1.50	38c	Oct. 15	Sept. 30
Bright, T. G.	30c	7½c	Sept. 15	Aug. 31
Do., pref.	$6	$1.50	Sept. 15	Aug. 31
Bank of Nova Scotia	12%	3%	Oct. 1	Sept. 15
Can. Perm. Mortgage	$8	$2	Oct. 1	Sept. 15
Canadian Cottons, com.	$4	$1	Oct. 1	Sept. 15
Do., pref.	$6	$1.50	Oct. 1	Sept. 15
Can. General Electric	$3	75c	Oct. 1	Sept. 15
Do., pref.	$3.60	87½c	Oct. 1	Sept. 15
Can. Foreign Investment	$1	25c	Oct. 1	Sept. 20
Do., pref.	8%	2%	Oct. 1	Sept. 20
Canada Northern Power, com.	$1	25c	Oct. 25	Sept. 29
Do., pref.	7%	1¾%	Oct. 15	Sept. 29
Can. Wire. Box., A (on arrears)	...	25c	Oct. 1	Sept. 15
Canada Malting (27)	$1.50	37½c	Sept. 15	Aug. 31
Dominion Stores	$1.20	30c	Oct. 1	Sept. 15
Dominion Textile	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 15	Sept. 29
Dominion Bank	$10	$2.50	Oct. 1	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Falconbridge Nickel	...	10c	Sept. 27	Sept. 12
Greening Wire, pref.	7%	1¾%	Oct. 1	Sept. 15
Hamilton United Theat., pref.	$7	$1.75	Sept. 29	Aug. 21
Huron & Erie Mtge. (No. 188)	6%	1½%	Oct. 1	Sept. 15
Hollinger Gold	65c	5c	Sept. 10	Aug. 24
Do., extra		5c	Sept. 10	Aug. 24
Hiram Walker-G. & W., pref.	$1	25c	Sept. 15	Aug. 24
Imperial Tobacco, ord.	7%	1¾%	Sept. 29	Sept. 14
Do., pref.	6%	3%	Sept. 29	Sept. 14
International Nickel, com.		15c	Sept. 29	Aug. 30
Inter. Proprietaries A	$2.60	65c	Sept. 15	Aug. 22
Do., participation	...	15c	Sept. 15	Aug. 22
Lake Shore Mines	$2	50c	Sept. 15	Sept. 1
Do., bonus		50c	Sept. 15	Sept. 1
Montreal C. & D. Bank	$12	$3	Oct. 1	Sept. 15
Montreal Loan & Mortgage	$2.50	62½c	Sept. 15	Aug. 31
McColl-Frontenac, com.	80c	20c	Sept. 15	Aug. 15
Montreal Cottons, pref.	$7	$1.75	Sept. 15	Aug. 31
National Breweries	$1.60	40c	Oct. 1	Sept. 15
Do., pref.	$1.75	44c	Oct. 1	Sept. 15
Niagara Wire Weaving, pref.	$3	75c	Oct. 1	Sept. 15
Northern Ont. Power	$2	50c	Oct. 25	Sept. 29
Do., pref.	$6	$1.50	Oct. 25	Sept. 29
Ontario Loan & Debenture	12%	3%	Oct. 1	Sept. 15
Pioneer Gold of B. C.	80c	20c	Oct. 1	Sept. 1
Power Corp., pref.	$6	$1.50	Oct. 15	Sept. 29
Do., 2nd pref.	$3	75c	Oct. 15	Sept. 29
Premier Gold Mines	12c	3c	Oct. 15	Sept. 14
Reliance Grain, pref.	6½%	1¾%	Sept. 15	Aug. 31
South Amer. Gold & Plat.		10c	Sept. 25	Sept. 15
Sylvanite Gold	20%	5%	Sept. 30	Sept. 1
Siscoe Gold Mines	12c	3c	Sept. 29	Sept. 15
Do., bonus		2c	Sept. 29	Sept. 15
Southern Can. Power, pref.	$6	$1.50	Oct. 15	Sept. 20
West. Canada Flour, pref.	$3	75c	Sept. 15	Aug. 31
Wright-Hargreaves Mines	40c	10c	Oct. 1	Sept. 10
Do., extra	....	5c	Oct. 1	Sept. 10

Dividend Rate Increased—
Pioneer Gold of B.C., 60c to 80c per annum, Oct. 1.

Dividend Rate Reduced—
Montreal Loan & Mortgage, $3 to $2.50, Sept. 15.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)

September 4, 1934

Public Utility Issues:	Int. Rate	Due	Bid Sept. 4	Asked	Aug.
Beauharnois L. H. & Power	5½%	1973	100½	102	[illegible]
Beauharnois Power Corp.	6%	1959	66	...	[illegible]
Beauharnois Power Corp.	5%	1973	54	56	[illegible]
Bell Telephone	5%	1955	107½	108½	[illegible]
Bell Telephone	5%	1957	108	109½	[illegible]
B. C. Power	5%	1960	100	101½	[illegible]
B. C. Power	5½%	1960	103½	105	[illegible]
B. C. Telephone	5%	1960	103	104½	103
Calgary Power	5%	1960	96	98½	96
Canada Northern Power	5%	1953	96	98	95
Cedars Rapids Mfg. & Power	5%	1953	109½	...	109
Dominion Gas & Electric	6½%	1945	62	64	62½
Duke-Price Power	6%	1966	90½	92½	90½
Gatineau Power	5%	1956	91½	93½	91½
Gatineau Power	6%A	1941	87	89	87
Gatineau Power	6%B	1941	86	88	86
International Hydro-Electric	6%	1944	53	55	53½
Jamaica Public Service	5%	1950	99	100½	98½
Maclaren-Quebec Power	5½%	1961	100	102	100½
Manitoba Power	5½%	1951	60½	62½	60½
Montreal Island Power	5½%	1957	102	104	102
Montreal L. H. & Power	5%	1951	107½	109	107½
Montreal L. H. & Power	5%	1970	107½	109	107½
Montreal Public Service	5%	1942	105	...	105
Montreal Tramways	5%	1955	77	79	77
Montreal Tramways	4½%	1955	70	72	71
Montreal Tramways	5%	1941	100	102	100½
National Light & Power	6%	1949	83	85½	83
N. B. Power	5%	1937	70	72½	70½
Northwestern Utilities	7%	1938	99½	102	99½
N. S. Light & Power	5%	1958	97½	100	97½
Ottawa Light Heat & Power	5%	1957	103	104½	103
Ottawa Valley Power	5½%	1970	105	106½	105½
Power Corp.	4½%	1959	76	78½	74½
Provincial Light & Power	5%	1946	105	...	105
Quebec Power	5%	1968	99	101	99
Rio de Janeiro T. L. & Power	5%	1935	101½	103	101½
Shawinigan Water & Power	6%	1937	101½	103	101½
Shawinigan Water & Power	4½%	1970	92	94	91½
Shawinigan Water & Power	5%	1970	99	101	99½
Southern Canada Power	5%	1955	103½	105	103½
United Securities	5½%	1952	78	80½	78
West Kootenay Power	5%	1956	104½	106	104½
Western Power Co.	5%	1949	102½	104½	102½
Winnipeg Electric	5%	1935	92½	94½	93
Winnipeg Electric	6%	1954	48	50	47
Industrial and Realty Issues:					
Abitibi Pulp & Paper	5%	1953	28½	30½	28½
Abitibi P. & P. C.O.D.'s	5%	1953	23	25½	24
Acadia Sugar	6%	1946	102	104	101½
Alberta Pacific Grain	6%	1946	77	80	76½
Algoma Steel	5%	1962	15	17	15
American Sales Book	6%	1939	101	...	101
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	94½	...	94½
Balfour Building	6%	1934	36	...	36
Belding-Corticelli	5%	1936	103	...	103
Bloor-St. George Realty	7%	1946	40	...	40
Booth Buildings	6½%	1937	98	...	98
Brandram-Henderson	6%	1936	92	...	92
British American Oil	5%	1945	103½	...	103½
British Columbia Pulp & Paper	6%	1950	66	69	66½
Brown Co.	5½%	1946	45½	48½	46
Burns & Co.	5½%	1948	31	33	31
Canada Biscuit	6½%	1946	20	22	19½
Canada Bread	6%	1941	96	98	95½
Canada Cement	5½%	1947	94½	96½	94½
Canada Paper	6%	1945	89	...	89
Canada Steamship	5%	194[illegible]	92½	94½	92½
Canada Steamship	6%	1941	27	29	28
Canadian Canners	6%	1950	103½	105½	103½
Canadian Consolidated Felt	6%	1940	90	...	90
Canadian Copper Refiners	6%	1945	106½	...	106½
Canadian Cottons	5%	1940	101	...	101
Canadian Goodrich	7%	1943	47	...	47
Canadian International Paper	6%	1949	62½	65	63
C. P. R.	6%	1942	107	108½	108
C. P. R.	4½%	1944	90½	92½	90½
C. P. R.	5%	1954	96	98	96½
C. P. R.	4%	1949	91	93	91½
Canadian Rail & H. Terminals	6½%	1951	18½	20½	20
Canadian Vickers	6%	1947	52	54	52
Consolidated Investment	4½%	1959	68½	...	68½
Consolidated Paper	5½%	1961	16	18	16½
Cosmos Imperial Mills	6½%	1944	101½	...	101½
Debenture & Security	4%	1936	75½	...	75
Dominion Canners	6%	1940	106½	...	106½
Dominion Square Corp.	6%	1948	48½	51½	49
Dominion Tar	6%	1949	85½	88	85
Dominion Textile	6%	1949	108½	...	108½
Dominion Woollens & Worsteds (with stock)	6%	1948	45½	48	46½
Donnacona Paper	5½%	1948	...	39	...
Eastern Dairies	6%	1949	69	71½	69
Eaton T. Realty	5%	1949	99½	101	99½
Famous Players	6%	1948	90½	92½	90½
Famous Players	6½%	1948	71	73½	72
Federal Grain	6%	1949	81	84	80½
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	39½	42	39½
French National Mail S.S.	6%	1952	162	...	162
Galt Brass	7½%	1941	36½	...	36½
General Brock Hotel	6%	1948	30	33	30
General Steel Wares	6%	1952	83	85½	84
Godfrey Realty	6%	1942	40	44	41
Great Lakes Paper	6%	1950	30	32	31
Gypsum Lime & Alabastine	5½%	1948	74	76½	73½
Hamilton Cottons	5½%	1948	91	...	90½
Hamilton By-Products Coke	7%	1943	99	101½	98½
Hinde & Dauch	5½%	1948	91	...	90½
International P. & P. Nfld.	5%	1968	94	96	94
Inter City Baking	5½%	1948	84	...	84
Lake St. John Power & Paper	6½%	1947	53	55½	53
Lake St. John Power & Paper	6½%	1942	...	23	...
London Can. Invest.	4½%	1948	65	68	65
London Realty	6%	1950	79	81½	79½
Lord Nelson Hotel	4%	1947	...	58½	...
Maple Leaf Milling	5½%	1949	32	34½	31½
Massey-Harris	5%	1947	70½	72½	70
McColl-Frontenac	6%	1949	103½	105½	103½
McKinnon Industries	6½%	1945	103½	...	103½
Mercury Mills	5½%	1953	...	68½	...
Metropolitan Building	7%	1944	100	...	100
Minnesota & Ontario Paper	6%	1945	15	17	15
Montreal Coke	5½%	1957	102	104	101
Montreal Cottons	5%	1947	95	...	95
Montreal Dry Docks	6%	1948	42½	...	42½
Northern Electric	5%	1939	104½	...	104½
Northern Ontario Building	6½%	1939	96	...	96
Ontario Building	6½%	1943	37	40	37
Pacific Burt	6½%	1937	100	...	100
Penmans	5½%	1951	106½	...	106½
Price Bros. Co's.	6%	1943	85	88	85
Provincial Paper	5½%	1947	96	98	96
Queen's Hotel	6%	1947	70	72½	70
Reliance Grain	6%	1948	84½	87	84½
Restigouche Co.	5½%	1948	73	76	74
Richmond Bay Bldg.	6½%	1947	87	...	85½
Riordon Pulp & Paper	6%	1942	103	105	103
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	96	98½	96
E. L. Ruddy Co.	6½%	1948	73½	76½	73½
St. Lawrence Flour	6%	1941	101	...	101
Shawinigan Cotton	6%	1949	88	91	88
Simpsons Ltd.	6%	1949	98½	100½	98
Smith Howard	5½%	1953	96	98	96½
Steel Co. of Canada	6%	1940	108	...	108
Stop & Shop	6%	1947	86½	89½	85½
Toronto Carpet	6%	1944	99½	...	99½
United Amusement	6%	1942	87	...	87
United Corpns.	5%	1953	74	...	73
United Gas & Fuel	5½%	1948	88½	91	88½
United Grain Growers	5%	1948	82½	85	82½
Wabasso Cotton	6%	1947	97	...	97
Wabasso Cotton	7%	1942	99½	...	99½
Windsor Hotel	6½%	1943	68	72	70
Woods Mfg.	6%	1943	86	...	86

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 3

Range 1934 High	Range 1934 Low	Divd. Rate in $ Sept. 1	Y'ld in %		Sales	Close Aug. 27 (or last)	Week Ending Sept. 3 High	Low	Close
				A					
2.50	.80	..	..	Abitibi	326	1.00	1.05	1.00	1.05
10½	4½	..	..	Do. pref. 6%	....	8	..	..	..
7½	4	..	..	Do. cert. dep.	....	4	..	..	..
x80	80	..	..	Acme F. D'y p.	....	..	..	..	..
3	3	..	..	Acme Glove	....	3	..	..	..
25½	25	3.25	..	Do. pref.	....	25	..	..	..
8½	5½	20c	..	Agnew Surp.	20	5½	7	6½	7
90	72	7	9.2	Do. pref.	4	73	76	76	76
7	3	..	..	Alta. Pac. Gr.	....	3½	..	..	..
23	14½	..	..	Do. pref.	5	15	15	15	15
2½	1½	..	..	Amal. Electric	....	1½	..	..	..
15	10	..	..	Do. pref.	10	15	15	15	15
x3½	3½	..	..	Anglo. N. Hold.	..	..	..	..	..
13½	5½	..	..	Asbestos, v. t.	15	6	6	6	6
13	9½	25c	..	Assoc. Brew.	55	10½	10½	10½	10½
93	85	7	7.5	Do. pref.	....	93	..	..	..
4½	4½	..	..	Assoc. Can.	....	4½	..	..	..
				B					
145	124	8	6.4	Bk. Can. Nat.	98	125	125	125	125
203	167	8	4.1	Bk. Montreal	144	195	195	193	195
278	253	12	4.7	Bk. N. Scotia	42	260	261	256	256
210	161½	10	4.9	Bk. Toronto	22	200½	202½	201	202
16⅞	15	50c	..	Barcelona	....	15	..	..	..
8½	3	..	..	Bathurst Pr.	185	4½	4½	4½	4½
3½	1	..	..	Do. (B)	....	1½	..	..	..
1½	1½	..	..	Bawlf Grain	....	1½	..	..	..
15	7	..	..	Do. pref.	....	15	..	..	..
4	2½	..	..	Beath & Sons	....	2½	..	..	..
10	6½	..	..	Beatty Bros. A	....	9	..	..	..
88½	69	6	6.8	Do. pref.	....	88½	..	..	..
9½	3½	..	..	Beauharnois	650	5½	6	5½	6
85	65	4	4.7	Belding Cort.	....	85	..	..	..
102	97	7	6.9	Do. pref.	....	102	..	..	..
120	110	6	5.1	Bell Telephone	333	117½	118	117	118
12	7½	50c	..	Biltmore Hats	....	10	..	..	..
93	85	7	7.5	Do. pref.	....	93	..	..	..
6	2	..	..	Bissell, T. E.	40	6	4	4	4
29	25	..	..	Do. pref.	....	25	..	..	..
6	4	..	..	Blue Ribbon	10	4½	4½	4½	4½
33	22	2	6.7	Do. pref.	29	30	30	30	30
26	22	2	7.9	Brant. Cord. pf.	35	24⅞	25⅞	25½	25⅞
14⅞	7½	..	..	Brazilian Tr.	5647	11	11½	10⅞	10⅞
2.95	.65	..	..	Brew. & Distil.	1335	.85	.85	.75	.75
11	5⅞	..	..	Brewing Corp.	1334	8⅞	8½	8⅞	8⅞
32⅞	15½	..	..	Do. pref.	1460	31⅞	31½	31	31
12	10	30c	2.5	Bright, T. G.	....	12	..	..	..
75½	75½	6	8	Do. pref.	....	75½	..	..	..
15⅞	12	80c	5.7	Brit. Amer. Oil	1747	14	14	13⅞	13⅞
3.87	1.12	..	..	B. C. Packers	180	1.85	1.85	1.80	1.80
14	10	..	..	Do. pref.	15	12½	13	12½	13
32⅞	22⅞	1.50	5.5	B. C. Power A	475	27	27½	27	27½
8½	4½	..	..	Do. (B)	66	5½	6	5½	5½
22	12½	1	6.6	Bruck S. Mills	75	15½	15⅞	15	15⅞
23½	16½	1	4.8	Building Prod.	35	21⅞	21	21	21
34	27	2	6.3	Burt, F. N.	40	31	31½	31½	31½
				C					
x125	125	6	..	Calgary Pr.	....	..	..	..	..
5½	2	..	..	Canada Bread	5	3	3	3	3
50	23	..	..	Do. pref. A	....	29	..	..	..
15	8	..	..	Do. pref. B	....	8	..	..	..
12	7½	..	..	Canada Bud	1057	10⅞	11	10⅞	10⅞
12	4½	..	..	Canada Cement	666	6½	6⅞	6¼	6¼
53	32	..	..	Do. pref.	142	39	39½	37½	38½
b29½	12½	1	6.1	Canada Dry	2501	17	18	16	16½
6½	4	..	..	Can. Forg. A	....	4	..	..	..
4	4	..	..	Do. (B)	....	4	..	..	..
18	18	..	..	Canada Iron	....	18	..	..	..
52	50	3	6	Do. pref.	....	50	..	..	..
‡*425	425	20	..	Canada Life	....	..	..	..	..
35⅞	28	1.50	4.8	Can. Malting	360	31⅞	31½	30½	31½
22½	16½	1+10c	5.4	Can. Nor. Pr.	31	21	21	20	20½
102	88½	7	6.9	Do. pref.	26	100½	101	100½	100½
.10	.10	..	..	Can. Paving	....	.10	..	..	..
4	3	..	..	Do. pref.	....	3	..	..	..
140	117	8	6.5	Can. Perman.	10	122	123	123	123
3.75	.70	..	..	Can. Steamships	....	2.00	..	..	..
9	2½	..	..	Do. pref.	70	5	5½	5	5
27½	21½	1.60	5.9	Can. Vinegars	160	26	27	25⅞	26½
25	22½	..	..	Can. W. Cable	....	24⅞	..	..	..
13½	5½	..	..	Do. (B)	....	10	..	..	..
4	2½	..	..	Can. Bakeries	....	2½	..	..	..
12	9	..	..	Do. pref.	....	9	..	..	..
166	127	8	5.3	Can. Bk. Com.	59	148½	150	148	150
27	17	60c	2.7	Can. Bronze	50	24	22	22	22
109	95	7	6.8	Do. pref.	10	101	103	102	102
8½	5	..	..	Can. Canners	10	6	5	5	5
88½	75	6	7.3	Do. 1st pfd.	35	80	82	81	82
10½	6⅞	30c	4	Do. 2nd pfd.	205	7	7½	7½	7½
9⅞	5½	..	..	Can. Car & Fdy	360	7⅞	6⅞	6½	6⅞
16	11½	..	..	Do. pref.	280	14⅞	14⅞	14½	14½
22½	16	..	..	Can. Celanese	80	16⅞	16½	16	16
120	104	7	6.6	Do. pref.	5	108	106	106	106
45	30	2	5.3	Can. Convert.	....	38	..	..	..
72	41	4	7.1	Can. Cottons	15	54	56½	56½	56½
95	70	6	6.3	Do. pref.	25	95	95	95	95
34½	17	1	4.8	Can. Dredge	200	20⅞	21	20⅞	21
106½	106½	7	6.6	Do. pref.	....	106½	..	..	..
65	65	6	9.2	Can. Fairb. pf.	....	65	..	..	..
25	9	$1	..	Can. For. Inv.	500	22	21	20	20
105	80	8	7.6	Do. pref.	265	101	105	105	105
160	124½	3	1.9	Can. Gen. Elec.	....	158½	..	..	..
63	59	3.50	5.6	Do. pref.	10	63	62½	62	62½
‡6½	4	40c	..	Can. G. Inv. T.	....	6½	..	..	..
76	54½	6	9.2	Can. Hyd. El. p	131	65	65½	64½	65½
20½	5½	..	..	Can. Ind. Alc.	4885	8½	8⅞	7⅞	8⅞
19½	5	..	..	Do. (B)	605	7	7⅞	7	7⅞
170	148	3.50*	2.1	Can. Indust. B	....	164	..	..	..
142	128	7	4.9	Do. pref.	....	140½	..	..	..
†5.00	3.95	..	..	Can. Int. I. Tr.	....	..	..	..	..
20	20	..	..	Do. pref.	....	20	..	..	..
40	19	1	5.3	Can. Lt. & Pr.	....	19	..	..	..
2½	1½	..	..	Can. Locomo.	15	2	2	2	2
b4½	1⅞	..	..	Can. Marconi	709	2	2	2	2
18	10	50c	3.5	Canadian Oil	25	13	14½	14	14
120	92	8	6.9	Do. pref.	50	114	115	115	115
18½	11⅞	..	..	Can. Pacific	4201	14	14½	13⅞	13⅞
3	1⅞	..	..	Can. Vickers	....	1⅞	..	..	..
6½	4½	..	..	Do. pref.	30	5	4½	4½	4½
‡49	46	2	..	C. West'ghouse	....	49	..	..	..
11½	5⅞	20c	3	Can. Wineries	40	6½	6⅞	6⅞	6⅞
16½	13	1.50	10.7	Can. Wire Box.	....	14	..	..	..
8½	7	..	..	Catelli Mac (A)	100	8	8	8	8
2½	1½	..	..	Do. (B)	....	1½	..	..	..
‡245	245	8	..	Cent. Can. Loan	....	..	..	..	..
9	7½	60c	7.5	Champ. Oil, pf.	754	8½	8½	8½	8½
3.50	1.10	..	..	Chem. Research	2050	1.31	1.34	1.30	1.30
14½	2⅞	..	..	City Gas & Elec	25	3½	3½	3½	3½
.80	.35	..	..	Claude Neon	350	.40	.40	.40	.40
11	6	..	..	Cockshutt Plow	265	6½	6⅞	6½	6½
1.50	.30	..	..	Comm. Alcohol	....	.70	..	..	..
2	1⅞	..	..	Conduits	....	1⅞	..	..	..
†94	84	..	..	Do. pref.	....	..	..	..	..
12½	7	25c	..	Cons. Bakeries	365	8½	8½	8	8½
1.50	.40	..	..	Cons. Indust.	....	.50	..	..	..
3½	1⅞	..	..	Cons. Paper	219	2	1⅞	1⅞	1⅞
11½	6	..	..	Cons. Press	....	7	..	..	..
30	24	..	..	Cons. Sand. pf.	....	24	..	..	..
170½	118	1	..	Cons. Smelters	565	141	141	137½	138⅞
190	165	10	5.3	Consumers' Gas	77	188	190	188	188
41½	23	..	..	Corr. P. Box, p.	....	41½	..	..	..
10½	5⅞	..	..	Cosgrave Brew.	....	8½	..	..	..
11⅞	7½	..	..	Cosmos Imp.	80	11	11	11	11
95	80	3.50■	3.9	Do. pref.	20	95	90½	90½	90½
4½	2	..	..	Crown Dom. Oil	5	2	2½	2½	2½
20	16	4	..	Crow's N. Coal	....	20	..	..	..
				D					
1.10	1.00	..	..	David & Fre. B	....	1.10	..	..	..
2½	2	..	..	Do. (A)	....	2½	..	..	..
4½	1	..	..	De Havilland	....	2	..	..	..
30	22	..	..	Do. pref.	....	24	..	..	..
†9	5	..	..	Disher Steel	....	..	..	..	..
6⅞	6	..	..	Do. pref.	....	6⅞	..	..	..
26⅞	8⅞	..	..	Distill-Seagram	8570	13½	15½	13	15½
186	133	10	5.9	Dom. Bank	29	166	168	166	168
37	25½	2	6.3	Dom. Bridge	356	32	32	31½	31½
92	10	..	..	Dom. Coal	....	80	..	..	..
28	18⅞	..	..	Dom. Engineer	5	19	22	22	22
99	81	5	5.2	Dom. Glass	85	90	97	97	97
130	113	7	5.4	Do. pref.	....	130	..	..	..
.90	.25	..	..	Dom. Motors	....	.25	..	..	..
1½	1	..	..	Dom. Pr. Stubs	15	1	1½	1½	1½
80	80	7	..	Dom. Rubber, p	....	80	..	..	..
5⅞	2½	..	..	Dom. St. & C.B.	1175	4½	4	3⅞	3⅞
23	17	1.20	6.7	Dom. Stores	217	18⅞	18½	17⅞	17⅞
5½	2	..	..	Dom. Tar & Ch.	....	2⅞	..	..	..
29½	15	..	..	Do. pref.	25	22	22½	22½	22½
88	67	5	5.9	Dom. Textile	215	85	85	84½	84½
140	112	7	5.4	Do. pref.	....	130	..	..	..
7½	3½	..	..	Dryden Paper	285	4	4½	4½	4½
4	2	..	..	Duff. Paving	....	2	..	..	..
40	18	..	..	Do. pref.	....	25	..	..	..
				E					
3	3	..	..	East. Koot. Pr.	....	3	..	..	..
†97	94½	..	..	Do. pref.	....	..	..	..	..
5	2	..	..	East. Dairies	....	2½	..	..	..
13	6	..	..	East. Steel	....	6½	..	..	..
80	72	7	9.7	Do. pref.	....	72	..	..	..
‡34	34	..	..	East. Theatres	....	..	..	..	..
75	66½	7	10	Do. pref.	....	70	..	..	..
5½	1½	..	..	Easy Washer	35	1½	2	2	2
15	10½	311c	..	Economic Inv.	....	12	..	..	..
†15	15	..	..	Edmonton D'y	....	..	..	..	..
†80	78½	6.50	..	Do. pref.	....	..	..	..	..
3½	1	..	..	Enam. & Heat.	....	1	..	..	..
16	10	..	..	Eng. Electric	....	10	..	..	..
6	4	..	..	Do. (B)	....	4½	..	..	..
				F					
18	10	..	..	Fam. Players	....	12	..	..	..
17	10	..	..	Do. Vot. Tr.	....	12½	..	..	..
32½	11½	1+25c	4.2	Fanny Farmer	100	27½	29½	29	29½
38	28	2.40	6.5	Do. pref.	....	36⅞	..	..	..
25½	15	50c	2.5	Ford Motors A	1568	20½	20⅞	20	20½
3⅞	1½	..	..	For. Pr. Secs.	....	1½	..	..	..
16½	10	25c	..	Foundation Co.	....	12	..	..	..
12½	3	..	..	Fraser Cos.	....	5	..	..	..
9	2⅞	..	..	Do. Vot. Tr.	100	3½	3½	3½	3½
3	3	..	..	Frost Steel	....	3	..	..	..
47	30	..	..	Do. pref.	....	45	..	..	..
				G					
6	3⅞	..	..	Gen. St. Wares	75	4	3⅞	3⅞	3⅞
46	14½	..	..	Do. pref.	30	37	37	37	37
136	90	5	4	Goodyear Tire	115	125	129½	124	125
115	106	7	6.2	Do. pref.	17	114	114	113	113
3⅞	1	..	..	Gt. W. Saddlery	20	2½	1	1	1
15	11	..	..	Do. pref.	10	15	15	15	15
11½	6	..	..	Gurd, Chas.	135	6½	6	6	6
‡100½	100	7	..	Do. pref.	....	..	..	..	..
8⅞	4½	..	..	Gypsum, Lime	700	5⅞	5⅞	5	5½
				H					
9½	4½	..	..	Ham. Bridge	15	5	5	5	5
37	21	..	..	Do. pref.	4	24	30	24	30
21	14	..	..	Ham. Cot. pf.	....	20½	..	..	..
2⅞	1	..	..	Ham. U. Theat.	5	1	1	1	1
56	46	7	14	Do. pref.	5	50	50	50	50
‡50	50	..	..	Hillcrest Coll.	....	..	..	..	..
‡91	91	..	..	Do. pref.	....	..	..	..	..
8⅞	5⅞	..	..	Hinde & Dauch	300	7⅞	8	7⅞	8
12	12	..	..	Holt Renfrew	....	12	..	..	..
50	35	..	..	Do. pref.	....	39	..	..	..
1.60	.30	..	..	Honey Dew	25	.35	.30	.30	.30
11	3	..	..	Do. pref.	....	3	..	..	..
11	4	..	..	H. Smith Pap.	14	7	6½	6½	6½
73	35	..	..	Do. pref.	50	61½	61½	61½	61½
28	24	2	8	Humberstone S.	....	25	..	..	..
18	9	50c	5	Hunts (A)	2	12½	10	10	10
16	8½	50c	5	Do. (B)	5	10	10	10	10
96	70	6	7.4	Huron & E. Mt.	4	81	81	81	81
15	14	..	..	Do. 20% pd.	....	15	..	..	..
8	4½	..	..	Hydro Electric	....	4⅞	..	..	..
				I					
180	141	10	5.8	Imperial Bank	9	174	174	173	173
15	12⅞	50+15c	4.4	Imperial Oil	6635	14⅞	14⅞	14⅞	14⅞
14	10½	52½c	4.6	Imperial Tob.	145	11⅞	11⅞	11⅞	11⅞
17½	14	..	..	Inter. City Bak.	50	17	17½	17½	17½
8⅞	5½	4	..	Inter'c Coal	....	5½	..	..	..
100	100	8	..	Do. pref.	....	100	..	..	..
b9½	3½	..	..	Int. Hyd. E. A.	1700	5⅞	5½	4⅞	4⅞
5	4½	..	..	Int. Metal Ind.	....	4½	..	..	..
110½	99	7	6.6	Inter. Mill., pf.	10	101½	105½	105½	105½
99	84	6	6.3	Do. Series A.	10	99	94½	94½	94½
29	21½	20c	..	Inter. Nickel	13629	25	25½	24½	24½
5	3	..	..	Inter. Paints	25	4	4	4	4
b6½	2	..	..	Int. Pa. & P. A	500	3	3½	2½	2½
b3½	1½	..	..	Do. (B)	200	1½	1⅞	1⅞	1⅞
b2⅞	1	..	..	Do. (C)	600	1½	1½	1½	1½
b24½	8½	..	..	Do. pref.	706	12	12½	11	11
30½	19½	1.56	5.5	Inter. Pete.	2315	28½	29	28	28½
4	2	..	..	Inter. Power	30	3½	3½	3½	3½
28½	14	..	..	Do. pref.	48	28	28	28	28
13½	13½	..	..	Inter. St. Rly. A	....	13½	..	..	..
2½	2½	..	..	Do. (B)	....	2½	..	..	..
6½	3	..	..	Inter. Util. (A)	30	3	3	3	3
1.50	.50	..	..	Do. (B)	700	.60	.60	.50	.50
				J					
†40	40	1	..	Jam. Pub. Ser.	..	..	..	..	..
103	97	7	6.8	Do. pref.	10	102½	103	103	103
				K					
5½	4½	..	..	Kelvinator	....	4½	..	..	..
95	80	7	7.5	Do. pref.	17	92	93½	93	93
				L					
15	10	..	..	Lake of Woods	55	11	11	11	11
73	56	..	..	Do. pref.	....	66	..	..	..
82	75	6	7.3	Landed Bank.	....	82	..	..	..
5	1	..	..	Langley's	....	4	..	..	..
63	25	7	12.7	Do. pref.	....	54½	..	..	..
59	47½	3	5.4	Laura Secord	....	55½	..	..	..
3½	1½	..	..	Lindsay, C. W.	....	2	..	..	..
40	35	..	..	Do. pref.	....	38	..	..	..
18½	14	1	5.8	Loblaw (A)	334	17⅞	17⅞	17⅞	17⅞
17⅞	13½	1	5.9	Do. (B)	300	17½	17	16⅞	16⅞
				M					
8	5	..	..	MacKin. Steel	....	5	..	..	..
†95	90	..	..	Do. pref.	....	..	..	..	..
4	3⅞	..	..	Manitoba Pr.	....	3⅞	..	..	..
5.25	.50	..	..	Maple Leaf	65	.65	.65	.65	.65
10⅞	5	..	..	Do. pref.	35	10	9½	9½	9½
3	1	..	..	Do. (B)	....	1	..	..	..
12½	12½	..	..	Marcus Loew's	....	12½	..	..	..
85	60	7	8.2	Do. pref.	....	85	..	..	..
8½	3⅞	..	..	Massey-Harris	735	4⅞	4⅞	4	4
14⅞	10½	80c	5.9	McColl Fron.	1028	13½	13⅞	13⅞	13⅞
91½	71½	6	6.8	Do. pref.	95	88½	88	87½	88
17	10	..	..	Melchers (A)	155	12	11	11	11
11	5	..	..	Do. (B)	70	5½	5	5	5
‡35	35	..	..	Mercury Mills	....	..	..	..	..
18	15	..	..	Do. pref.	....	15	..	..	..
16	15	..	..	Mitchell, J. S.	10	15	15	15	15
100	100	7	7	Do. pref.	2	100	100	100	100
10½	3	..	..	Mitchell, Robt.	40	5½	5½	5½	5½
8	5½	..	..	Monarch Knit.	....	5⅞	..	..	..
72	45	1▲	..	Do. pref.	15	71½	70	70	70
45	25	..	..	Montreal Cot.	....	37	..	..	..
87	67	7	8.7	Do. pref.	....	80	..	..	..
¾	⅜	..	..	Montreal Exhib.	....	..	..	..	..
4	3⅞	..	..	Mont. Is. Pr.	....	..	..	..	..
39½	30½	1.50	4.5	Mont. L. & Pr.	3157	34⅞	35	33	33½
47	38	2.50	5.8	Montreal Loan	....	43	..	..	..
5½	5⅛	..	..	Mtl. Ref. & S. p	....	5⅛	..	..	..
55	50	3.20	6.1	Montreal Tele.	....	53½	..	..	..
125	93	9	9.4	Montreal Trams	40	95	98	95	96
17½	11	..	..	Moore Corp.	308	14	13½	13½	13½
120	96	7	6.4	Do. pref. (A)	....	109	..	..	..
130	109½	7	5.8	Do. pref. (B)	5	120	120	120	120
3	2	..	..	Muirheads	....	[illegible]	..	..	..
6½	6	..	..	Do. pref.	....	6	..	..	..
				N					
28⅞	23½	1.60	5.6	Nat. Breweries.	4028	27½	28⅞	27½	28⅞
36	31	1.75	4.9	Do. pref.	10	35	36	36	36
118	90½	1.75▲	..	Nat. Groc. pf.	....	115	..	..	..
20½	14½	..	..	N. Sew. Pipe A	25	19	19	19	19
18½	12½	..	..	Nat. Steel Car	141	16	15½	14½	14½
185	148	8	5	National Tr.	....	160	..	..	..
8½	8	..	..	Niag. W. Weav.	....	8	..	..	..
38	31	3	..	Do. pref.	....	38	..	..	..
1.50	.75	..	..	North Star Oil	....	.75	..	..	..
3.00	1.10	..	..	Do. pref.	10	1.10	1.10	1.10	1.10
				O					
209	180	8	4.1	Ogilvie Flour	....	195	..	..	..
140½	125	7	5.1	Do. pref.	5	136½	137½	137½	137½
9	5⅞	..	..	Ont. Eq. 10% pd	78	6	6	6	6
105	102	6	5.8	Ontario Loan	....	104	..	..	..
7	2½	..	..	Ont. Silknit	200	3½	2½	2½	2½
45	31	..	..	Do. pref.	....	37	..	..	..
10	10	..	..	Ont. Steel	....	10	..	..	..
.90	.25	..	..	Orange Crush	....	.50	..	..	..
9⅞	5	..	..	Do. 1st pref.	....	9⅞	..	..	..
1.10	.30	..	..	Do. 2nd pfd.	100	.35	.35	.35	.35
5	5	..	..	Ottawa Car	....	5	..	..	..
92	79	6	7	Ott. L. H. & Pr.	....	86	..	..	..
103	92	6.50	6.5	Do. pref.	3	100	100	100	100
20	5	50c	..	Ott. Traction	....	15	..	..	..
				P					
75	55	3	4.4	Page Hersey	39	69½	69½	68	68
30	24	..	..	Paton Mfg.	....	24	..	..	..
90	90	7	7.8	Do. pref.	....	90	..	..	..
62	47	3	5	Penmans	....	60	..	..	..
102	90	6	5.9	Do. pref.	....	102	..	..	..
20½	14	1	5.6	Photo Eng.	25	18	18	18	18
66	60	7	10.8	Porto Rico Pr. p	....	65	..	..	..
15	7½	..	..	Power Corp.	211	11	10½	10	10
85	51	6	7.9	Do. pref.	25	75	75½	75½	75½
2	¾	..	..	Prairie C. Oil	....	¾	..	..	..
20½	12	..	..	Pressed Metals	....	13	..	..	..
6.00	.95	..	..	Price Bros.	300	2.87	3.00	3.00	3.00
37½	7	..	..	Do. pref.	....	27½	..	..	..
				Q					
20	15	1	6.2	Quebec Power	40	16	16½	16	16
				R					
‡95	85	3	..	Real Estate L'n	....	85	..	..	..
6⅞	2	..	..	Regent Knit.	65	4½	4	4	4
5	3	..	..	Reliance Grain	....	5	..	..	..
24½	19	1°	4.7	River. S. Mills	....	21½	..	..	..
9½	4½	..	..	Rogers Majest.	184	8	8½	7⅞	7⅞
168	129½	8	5.1	Royal Bank	85	153	156	154	156
17	17	..	..	Russell Motor	5	17	17	17	17
48	40	4	8.6	Do. pref.	9	45	46½	46½	46½
				S					
3	2½	..	..	Sarnia Br. (A)	....	3	..	..	..
1⅞	1⅞	..	..	Do. (B)	....	1⅞	..	..	..
10½	5	..	..	Serv. Station	....	..	..	..	..
60⅞	32½	..	..	Do. pref.	....	49½	..	..	..
24½	17½	50c	2.6	Shawinigan	1933	20½	20½	18⅞	19
21	12½	..	..	Sher. Wms.	25	14	14	14	14
87½	56	..	..	Do. pref.	....	83	..	..	..
10	6⅞	..	..	Simon & Son	200	8	7½	7½	7½
100	65	..	..	Do. pref.	59	100	100	100	100
74½	43	1	..	Simpson, Ltd.	20	70	69	69	69
17	10	..	..	Do. (A)	....	12	..	..	..
8	4	..	..	Do. (B)	....	..	..	..	..
96	86	6	6.2	Simpson, R., p.	7	95½	96	95½	96
16	11	80c	6.2	So. Can. Pr.	55	13	13	13	13
90½	72	6	6.7	Do. pref.	33	89½	90	89	89½
3½	1⅞	..	..	St. Law. Corp.	60	1⅞	2	1⅞	1⅞
11⅞	5½	..	..	Do. (A)	85	7½	7½	7½	7½
39	33	1.50	4.2	St. Law. Flour	....	36	..	..	..
101	96	7	7	Do. pref.	....	100	..	..	..
26	12	..	..	St. Law. Pap. p	....	18	..	..	..
9	5	..	..	Stand. Chem.	....	5	..	..	..
4½	1½	..	..	St. Pav. & Mat.	40	1½	1⅞	1⅞	1⅞
25	17½	..	..	Do. pref.	....	19	..	..	..
11½	5	..	..	Stand. Steel	....	5½	..	..	..
‡30	30	..	..	Do. pref.	....	..	..	..	..
38	28	1.20	3.6	Steel of Can.	182	34	34	33	33
39	31	1.75	5	Do. pref.	145	35⅞	35⅞	34⅞	34⅞
3	2	..	..	Sterling Coal	....	2	..	..	..
9	4½	..	..	Stop & Shop	20	6	6	6	6
*483	483	..	..	Sun Life Assur.	....	483	..	..	..
2⅞	2	..	..	Supersilk H.	....	2½	..	..	..
65	50	3.50	6.2	Do. pref.	....	57	..	..	..
29⅞	16	1	4.1	Sup. Pete. ord.	20	23½	24½	24½	24½
28	16½	1	4.4	Do. com.	....	22½	..	..	..
107	99	7	6.7	Do. pref.	....	105	..	..	..
				T					
28	20	..	..	Tamblyn	....	20	..	..	..
106	98	7	6.7	Do. pref.	....	104	..	..	..
7	6½	25c	..	Thayers	25	7	6⅞	6⅞	6⅞
42	18	3.50	9.2	Do. pref.	....	38	..	..	..
11½	8	40c	5	Thrift Stores	....	8	..	..	..
25	22	1.62½	7	Do. pref.	....	23	..	..	..
13½	6½	..	..	Tip Top Tailors	....	7	..	..	..
80½	63½	7	10.3	Do. pref.	....	68	..	..	..
†22	10	..	..	Tooke Bros.	....	..	..	..	..
15	12	..	..	Do. pref.	....	12	..	..	..
28	17	1	3.6	Tor. Elevators	....	28	..	..	..
102	89½	7	6.9	Do. pref.	....	101	..	..	..
120	105	6	5.4	Tor. Gen. Tr.	10	108	110	110	110
110	100	6	5.6	Toronto Mtge.	10	108	107	107	107
1.10	.10	..	..	Traymore	150	.15	.15	.15	.15
4½	1	..	..	Do. pref.	....	1	..	..	..
125	116	7	5.6	Tuckett Tob. p.	....	125	..	..	..
8½	1½	..	..	Twin City	....	3½	..	..	..
b39	6	..	..	Do. pref.	....	24½	..	..	..
				U					
6½	3½	..	..	Union Gas	960	3½	3½	3½	3½
3½	1	..	..	United Distill.	....	1	..	..	..
3	3	..	..	United Fuel	....	3	..	..	..
20½	9½	..	..	Do. pref.	10	16	14½	14½	14½
12½	12½	..	..	Un. Amuse. A	....	12½	..	..	..
17½	7½	..	..	Do. (B)	....	7½	..	..	..
33	17	2	6.1	United Secs.	....	33	..	..	..
6½	3	..	..	United Steel	70	3	3	3	3
				V					
5	1	..	..	Viau Biscuit	....	1	..	..	..
23	17	..	..	Do. pref.	....	17	..	..	..
				W					
37	20	..	..	Wabasso Cot.	5	26	25	25	25
57⅞	20	..	..	Walker-Good.	2423	27	28⅞	27	28
17⅞	13⅞	1	6.5	Do. pref.	455	14⅞	15⅞	15	15⅞
10.05	3.90	..	..	Walkerville Br.	3125	8.00	8.50	8.00	8.25
4	1	..	..	Waterloo Mfg.	10	1	1	1	1
8½	6	..	..	West. C. Flour	....	6⅞	..	..	..
62	48	3	6	Do. pref.	....	50	..	..	..
34	30	..	..	West. Grocers	5	34	32	32	32
95	85	7	7.4	Do. pref.	10	88	95	95	95
45	28	1	2.2	Weston Bisc.	2560	40	45	40	45
110	88½	7	6.5	Do. pref.	20	106	108	106	108
5	⅞	..	..	Whittall Can	10	1	3½	3½	3½
65	35	6.50	13	Do. pref.	5	52	50	50	50
2	2	..	..	Windsor Hotel	....	2	..	..	..
18	5½	..	..	Do. pref.	....	7	..	..	..
4	1⅞	..	..	Winnipeg Elec.	25	2½	2½	2½	2½
12	4	..	..	Do. pref.	....	10⅞	..	..	..
50	20	..	..	Woods Mfg. p.	....	40	..	..	..
				Z					
6½	4	..	..	Zimmerknit, c.	....	5⅛	..	..	..
75	50	7	9.3	Do. pref.	5	73	75	75	75

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
† Quotations for 1931.
* See "Unlisted Stocks" also.
• Plus 25c. on arrears paid July 3.
● Plus 75c. extra paid July 31.
▲ On account of arrears.
■ Plus 87½c on arrears paid Aug. 15.
‡ Quotations for 1930.
b New York Quotations.

Insurance for Buyer and Seller

Interest Rates, Lapsation Major Insurance Problems

Mutual Life Official Sees Position of Life Insurance Emerging Stronger Than in Past

One of the first problems which life insurance companies must tackle in the future is to devise ways and means to prevent heavy lapsation which occurred among policyholders in recent years, according to A. E. Pequegnat, assistant general manager of the Mutual Life of Canada, in addressing the company's agency convention at the Manoir Richelieu, recently. Mr. Pequegnat stressed the fact that if life insurance can avoid a repetition of this heavy termination experience, "the business could disarm the most potent criticism which can be levelled at the institution of life insurance as now constituted."

Capital Structure Out of Gear

Speaking of the many adjustments which remain to be made as a result of the depression, Mr. Pequegnat pointed out that one of the most perplexing situations which had to be faced was the fact that tremendous sums of capital funds have been invested on the strength of a contractual promise to pay a definite return for a long period of years which is much in excess of that which capital is able to earn under changed conditions.

"This is unquestionably the most serious problem which faces Canada at the present time," said Mr. Pequegnat, "affecting as it does the Dominion itself with its own nonproductive railroad system which carries a tremendous load of fixed obligations, provinces whose disbursements heavily exceed income, municipalities whose wageless residents are unable to pay the taxes necessary to meet the load of interest on its obligations incurred in times of plenty.

"Corporations which borrowed heavily to increase their productive capacity and now find it difficult to meet even the actual expenses of operation, farmers who in an effort to supply the world's demand for food at profitable prices mortgaged their lands to add to their already expensive holdings, homeowners who, on the strength of adequate and regular earnings, borrowed the funds to build a home and now find themselves unable to meet the obligations which at one time seemed easy of performance; in fact every citizen of the land feels the effect directly or indirectly of an excessive interest burden on contractual obligations created in halcyon days of easy money."

Lower Taxes Needed

As a solution, Mr. Pequegnat suggests that our chief concern in Canada must now be focussed on the various governing bodies and the steps which will be taken to reduce taxation to a point where it will be at harmony with the lowered income of present days. Relief of the excessive interest burden he urged, must be achieved without unequitable sacrifices "upon investors either private or institutional and without seriously disturbing the confidence of investors in the sanctity of contracts on which our highly complicated civilization depends. In general we must bring the cost of government into harmony with reduced national income."

Effect of Low Interest Rates

Commenting on the effect which lower interest rates have upon life insurance, Mr. Pequegnat said:

"If this surmise regarding the trend of interest rates proves to be correct, life insurance results will naturally be directly affected. The earning power of the reserves which must be maintained to insure payment under deferred contracts will tend to lower levels and thus will increase the net cost of protection. The precaution always insisted upon by sound life insurance actuaries of maintaining these reserves on a conservative rate of interest in the face of much higher interest earnings is now being abundantly justified.

"If a rate of interest more in line with earnings had been adopted at any time during the last twenty years the actual stability of life insurance contracts would now be seriously jeopardized. However, as it has been pointed out to you, the rate of interest on insurance funds is but one source of profit and mortality experience about which the theory of life contingencies is built continues to be depression-proof in its trends and variations. While, therefore, the underwriter of life insurance may have to revise his arguments somewhat in the matter of yield to be derived on a life insurance investment, his argument from the standpoint of stability and usefulness in an emergency can be made even more forceful than heretofore.

Life Insurance in Good Position

"The past achievements of life insurance institutions, embracing many cycles of good times and bad, provides ample justification for the assurance that, even from the standpoint of return, life insurance will continue to yield favorable results when compared with investments offering similar security, and surely the importance of security should require but little argument in the face of recent experiences.

"Undoubtedly there has never been a time when testimonials as to the intrinsic value of life insurance from the standpoint of both investment and protection were so freely available and this popularity among the hosts of those who have experienced its benefits will unquestionably play a large part in encouraging further sale."

Casualty Agents Meet in Toronto, Oct. 18, 19

Effect on insurance agents of enactment of the proposed "in one in all" rule and a proposal to stiffen the Agents' Qualification Law with a view to requiring all new applicants for license to pass a written examination will be two of the subjects discussed at the convention of the Ontario Fire and Casualty Insurance Agents Association to be held October 18 and 19 in Toronto.

Full agenda of the business sessions has not yet been drawn nor has the place of meeting in Toronto been set but these details are now being attended to, it is stated.

Insurance Inklings

Sovereign Life Assurance Co. reports total new business written in July has exceeded last year's figure by a substantial margin.

United States
Fidelity & Guaranty
Company
TORONTO

Mutual Life Reports Gains

Progress Reported at Recent Convention

Successful Meeting of Leaders Club

Members of the Leaders Club of The Mutual Life of Canada have returned to their homes from Murray Bay, Quebec, where a three-day convention of representatives has just been concluded.

In an address of welcome, the President of the Company, Mr. R. O. McCulloch, pointed out that the increase in the membership of the Quarter Million and Century Clubs over the previous club year was 50%. When commenting on the general situation Mr. McCulloch said:

"During the past five years many of the countries of the world have experienced social, economic or financial trouble. There have been banking and insurance failures in the country to the south of us—there have been rumors of war in Europe and elsewhere; in fact the picture of world conditions is not a rosy one.

"As against that, however, our position in Canada has been a relatively happy one. No bank has closed its doors, our insurance companies have functioned remarkably well, meeting without hesitation all claims made upon them; and certainly so far as our Company is concerned, a splendid record has been maintained.

"As I view conditions in Canada, I feel justified in stating that changes for the better are noticeable in various directions. There is reduced unemployment; government statistics show a steady increase in our internal and external trade and in revenues; railway earnings are better; and there has been an advance in prices of farm products; whereas mining development has been particularly active. Ours is a young country, and even though we have suffered along with the rest of the world since 1929, there is no country that offers finer opportunities for the future than our own."

The General Manager, Mr. W. H. Somerville, reviewed the Company's progress during the first half of 1934, pointing out among other things that there is a decided improvement in the policy loan situation, fewer people applying for loans and repayments being greater. He emphasized the strength of the Company's assets, stating that investments in bonds had been increased by $4,769,000 during the first six months of 1934 and the total assets of the Company increased from $132,500,000 to $136,200,000.

In reviewing the bond situation he pointed out the lower yield on new investments and continued: "On the other hand, there is a distinctly favorable side to this picture in that our extensive holdings of fixed interest bearing securities have appreciated very substantially in value. For instance, the book value of our bond holdings at the end of last year was $55,854,547, and the market value was then estimated at $53,241,233. The market value was thus $2,613,314 less than the book value. The book value of our bond holdings on June 30th, 1934, had increased to $60,624,136 and we estimate the market value of these bonds at that date was $62,236,604; so that in place of having market values less than book values, the reverse is now the case, and the excess of market values over book values on June 30th was $1,612,468, a total reversal in our favor of $4,225,782 since December 31, 1933."

When reviewing the mortgage situation, Mr. Somerville reported some improvement in the West, and stated that cash repayments of principal and interest on Western loans for the first six months of 1934 were greater by over $20,000 than for the same period of 1933, whereas the total cash interest income on all mortgages and sale agreements amounted to over $1,100,000, which was a good increase over the same period of last year. Current efforts to improve farming conditions are receiving the hearty support of the Company, which recognizes that a sound prosperity throughout the Dominion cannot be secured while primary producers both in the East and in the West are not doing well. The Mutual Life, in common with other mortgagees, has been making liberal arrangements with farmers who have been hit by the economic crisis and are unable to pay interest on their loans.

A report of the Company's sales, which was presented by the Superintendent of Agencies, Mr. W. Carlisle, showed that the gross new paid business of the Company for the first seven months of 1934 is ahead of the same period of last year by $5,464,000, while the business for the twelve-month period ending July 31, compared with the same period one year ago, shows an increase of over 28%. The insurance in force account shows a gain of over $2,800,000 for the year to date.

Provincial Manager

J. T. BOURGEOIS

Who has succeeded his father, T. P. Bourgeois, as provincial manager in Quebec of the Capital Life Assurance Co.

Business Better For Northwestern In East. Canada

A gain in premiums written and earned and a good reduction in losses is reported by the Northwestern Mutual Fire Association for the first six months business in Canada and the United States. Canadian experience shows that premiums have been almost maintained and expenses and losses have remained about normal, The Financial Post learns. The company states that it is earning dividends in Canada and is well pleased with results.

Although no figures for Canada are available, The Financial Post is informed that losses this year are running at about 40 per cent and expenses 33 per cent. Business in Ontario and Quebec has increased, while a slight reduction has been experienced in the Prairie Provinces.

Figures for the company's entire business show premiums written during the half-year amounted to $2,375,000 as compared with $2,030,000 during the first half of last year, while net losses incurred were $53,000 lower at $768,000. An increase in assets and net surplus is shown over a year ago.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Wawanesa-Central Man. Mutual

Can you give me information concerning the position of the Wawanesa Mutual Insurance Co. and the Central Manufacturers Mutual? Are these companies safe?

Wawanesa Mutual Insurance Co. is registered in Canada by the federal insurance department and is one of the leading mutual fire and casualty companies in the Dominion.

The company began originally in Manitoba and for a great number of years carried on a purely farm fire insurance business in Western Canada. A few years ago it obtained a federal license and expanded its operations considerably into Eastern Canada, embracing all types of fire and many lines of casualty risks.

As at the end of 1933, the company showed a surplus over all liabilities of $568,000—a slightly higher figure than the corresponding item in the previous year, but considerably less than the figure of $968,000 shown at the end of 1929.

This change is not unexpected in view of the very rapid expansion of the company in this period, and the evidence of its ability to operate profitably in this field should be available within the next year or two.

Central Manufacturers' Mutual Insurance Co. is one of the chief companies in what is known as the Lumberman's Mutual group under the direction, in Canada, of Vance C. Smith. It has been operating in Canada since 1923 and has had a good record of performance on this continent, since its incorporation in 1876. Its head office is at Van Wert, Ohio. Latest figures in the federal insurance blue book show an excess of assets over liabilities in Canada of approximately $100,000 as at the end of 1933. The company's general business statement in the United States for 1933 shows total assets of $4,416,500 and a surplus over all liabilities of $1,890,000.

Insurance Head Sees Loch Ness Monster

Sir Edward Mountain, chairman of the Eagle, Star & British Dominions Insurance Co., London, is convinced that the Loch Ness monster is genuine.

Facetious remarks concerning sobriety are wide of the mark as Sir Edward and his watchers saw the monster 21 times and took several photographs, the Eastern Underwriter, New York, relates.

Great precautions were taken that the films would not be tampered with and they were sealed and delivered to the chief chemist of the Kodak Co. who developed them. Unfortunately, it is stated, the weather during the search was not propitious and results are rather dull.

It is stated, however, that the results achieved have convinced most of the sceptics.

Companies Muster Points Against Self-Insurance

Toronto School Board and Ontario Hydro Plans Attacked — Claim Savings Would be Small, if Any — But Opinions Not Unanimous

With two of the largest individual insurers in Ontario considering taking at least part of their fire and casualty business away from regular insurance companies and establishing self-insurance funds, examination of the pros and cons of self-insurance, with particular reference to these two cases is timely.

Self-insurance plans are proposed in order to effect an annual saving in the amount paid for insurance protection, usually on the assumption that a large part of the premium dollar is used in agents' commissions and administration expense by the insurance companies. The possible handicap of heavy losses in the early stages of such a plan is offset by the large savings should fire experience of the individual self-insurer be better than the average experience.

Ratio Declining

While insurance officials questioned by The Financial Post were not unanimous in their opposition of self-insurance, the majority were of this mind.

In attacking the arguments in favor of self-insurance, these executives point to their published records which show a return of about 55 cents on the dollar in payments of claims, steadily declining annual rates, prompt payments of losses and absolute security from the time the first annual premium is paid. They point to the possibility of heavy loss through conflagration, something which would place a tremendous burden on any fund.

As it is in the interest of insurance companies to examine all fire prevention apparatus and advise insured concerns on fire hazards, this service would, of course, be forfeited. The insurance companies also feel that they are entitled to be allowed to remain in business just as much as any commercial enterprise and make a fair profit. Self-insurance by public bodies is particularly attacked as a direct move toward socialism.

On the other hand, a smaller group in the insurance business favors self-insurance by governments, whether federal, provincial or municipal, as far as coverage of fire risks is concerned. They do not believe, however, that the possible savings from self-insurance of casualty risks would be sufficient to warrant the establishment of an organization to handle this type of business.

Plans of the Toronto School Board toward self-insurance are further advanced than those of the Ontario Hydro-Electric Commission, E. T. Bigelow, who is sponsoring the move to have the fire risk of the Toronto schools covered by establishment of an annual-payment fund, having recently summarized his arguments as follows:

Bigelow's Arguments

"The beauty of self-insurance for schools is that the risk is widely scattered, all the buildings, with few exceptions, are near the same amount in value and there is practically no risk from general conflagrations as schools are built on spacious grounds, never close together, and few in the business district of the city. Further, moral hazards such as misrepresentation, dishonesty and intentional carelessness are practically non-existent."

Mr. Bigelow also points to the experience with self-insurance of schools in cities of similar size in the United States which is stated to be excellent.

Counter-arguments

Sharp issue with Mr. Bigelow's statements was taken by insurance officials questioned by The Financial Post. First of all they doubted the supposed immunity from conflagration hazards, pointing to some districts in Toronto where a number of schools were in close proximity and suggesting the possibility of a disaster of the extent of that experienced by San Francisco or Chicago. It is interesting to note that this statement of Mr. Bigelow's does not agree with one made by the chairman of the Toronto Board of Education in another case. In protesting against the granting of a beer license to an hotel on the Danforth, Toronto, he said:

"There are 5,000 children attending four schools within two blocks of the site."

The schools referred to are Danforth Technical, Eastern Commerce, Wilkinson and Earl Grey.

Arson Hazard

While admitting that misrepresentation in loss claims or intentional carelessness cannot be called important risks in insuring schools, one insurance executive felt that the hazard from arson by anarchists was a real one in insuring any public building.

Again, issue was taken with the statement that experience of United States cities has been universally good. One instance was quoted of the State of Minnesota which, after nine years of excellent experience in a self-insurance scheme for state colleges ran into a bad loss which left the fund with a deficit of over $250,000.

It is pointed out that no matter how long a fund such as this has been in force—even with excellent experience—there is never any security that the amount at credit will be sufficient to cover any possible loss. That good experience over a period of years in the case of schools would prompt further attempts to become self-insuring on the part of other municipal boards is also mustered as a counter-argument against the proposal.

Hydro Plan Considered

While self-insurance of Toronto schools would involve a substantial amount of coverage, it would be overshadowed by the self-insurance scheme such as is suggested for the Ontario Hydro-Electric Commission owing to the diversity of risk of the latter. In considering the question, of course, it should be remembered that the trend toward self-insurance is a perennial depression problem. Aldermen, trustees and individuals running down the list of their expenditures, come to the insurance premium item and immediately attempt to find some way of reducing it.

It is hardly surprising, therefore, that the economy campaign of the Hepburn administration in Ontario should quickly disclose the possibility of cutting provincial expense by reducing the annual amount expended each year for fire and casualty insurance protection. Mr. Hepburn is quoted as stating that first of all the Hydro and later the province as a whole would seriously consider the possibility of carrying their own insurance.

Say Savings Small

Premium savings which could be effected by the Ontario Hydro through a self-insurance plan would be considerably smaller than those possible for other insurers owing to the fact that Hydro already places its insurance through Municipal Underwriters with a saving in commissions which amounts to approximately 25 cents in the premium dollar, insurance interests point out. Further, it is claimed that loss of this business would mean that the income of insurance companies would be cut by the amount of the premiums and that, therefore, their taxation, estimated at about five cents on the dollar, would also be lost on this amount.

Experience of the past five years shows that about 55 cents of the fire insurance premium dollar is returned in payment of claims for losses, 25 cents goes to agents for commission, leaving 20 cents from which to pay taxes, adjustment expenses, administration expense and show a profit on operations. Assuming that the Hydro fire experience is approximately equal to the general experience of all insurers, the possible saving would be one of only 15 cents on the present premium dollar. From this amount the administration of the fund and expense of adjustments would have to be taken.

Loss of Services

Expense of an inspection department to promote fire prevention and suggest ways and means of providing protection would have to be borne by the Hydro, it was pointed out. At the present time, insurance companies claim that they provide most of this service and would have to continue to give some of it without return in order to protect adjoining property insured by themselves. Self-insurance by the Hydro might therefore mean addition to the fire hazard in the province while the government is supporting another department for the purpose of helping to reduce this hazard.

The fact that there are literally hundreds of insurance companies doing business in Canada, all in hard competition with one another, was stressed as evidence that insurance rates could never get far out of line. If companies were able to do business with less overhead and on cheaper rates, they would be doing so, it was stated.

Insurance Official Ridicules

"Why doesn't Mr. Hepburn go into the construction business instead of letting contracts to organized construction firms? He could thereby get his construction at cost and not permit anyone to profit by the work," an insurance executive suggested when discussing the proposal of self-insurance for the Ontario Hydro-Electric Commission with The Financial Post. "It has become almost a crime," he said, "to make a profit out of your business. Corporations are afraid to publish a statement which reveals that their trading has resulted in creating a surplus. It has always been my conception that everyone is in business to make a profit—of course, I may be wrong. Why, even insurance companies are trying to do a little better than break even on their years operations."

Aside from the fact that he felt a move to self-insurance on the part of a publicly-owned utility of the size of the Hydro is unethical from a business point of view, this executive doubted whether such a policy would be legally justified from the point of view of the Hydro bondholders. While a fund was being built up those bondholders would have no direct protection in case of loss through fire, he explained. As far as casualty insurance lines were concerned, he did not believe that any insurer would consider carrying this risk for himself owing to the very considerable expense that would be required to build up an organization to handle this type of business and the troubles met with in settlement.

Force Shut-Down

"Supposing all the large insurers in the Dominion were to decide to carry their own insurance, what would happen?" The Financial Post asked. The reply was that practically all the large insurance companies would be forced out of business or would at least have to curtail their activities so that the small insurer would be unable to obtain any service. Overhead expenses would be boosted to such a large proportion of the premium income that householders and other small insurers would have to pay more for protection.

Thus, it was explained, the general public — owners of the large corporations and public utilities — would be the ones to suffer directly.

Fears Raid on Funds

Two specific weaknesses in any plan of self-insurance were suggested by another insurance man in speaking to The Financial Post. "First of all," he said, "there is the obvious difficulty of fixing an annual sum to build up a protection fund and the danger of heavy losses while this fund is in its early stages. Then there is the danger — as shown by experience—that this fund, when established, is liable to be raided for purposes other than payment of losses.

"Secondly, established insurance companies and insurance agencies have developed staffs of adjusters and agents throughout the province and the Dominion, prompt action by whom saves many court actions and cuts losses. Insurance companies could not create such staffs on the premiums from even such a large account as the Hydro, so that it would seem impossible for the Hydro to obtain such service at a reasonable cost," he continued. "The alternative of not having such a staff would mean a large increase in losses," he added.

Public Buildings Fire Experience Good in Toronto

During the nine years from 1925 to 1933, inclusive, the net premiums paid out by Toronto for fire insurance coverage of civic properties totalled $430,542, while the total losses incurred in the same period amounted to only $32,152, according to a report recently submitted to Mayor Stewart.

The report also showed that installation of the sprinkler system in the attic of the city hall had cost approximately $50,000, but had resulted in reduction of the net flat rate for the city's fire insurance from $1.35 to $1.10 per $100 of insurance. The net saving in premiums from this reduction amounted to about $35,000, the commissioner estimated.

Detailed figures in the report revealed that the net annual premiums paid rose from $42,000 in 1925 to $57,621 for the 1931-2-3 period. The largest loss in any one year was $9,667 in 1926, and the lowest, $927 in 1929. The amount of insurance carried annually was $10,770,000 in the 1925-6-7 period, $14,238,000 in 1928-9-30, and $16,007,000 in 1931-2-3. The schedule for 1934-5-6 calls for a total coverage of $16,382,000 and a net flat rate of $1. The rate was $1.10 from 1928 to 1933, inclusive.

Arthur B. Wood to Speak at Amer. Life Convention

Arthur B. Wood, president and managing director of the Sun Life Assurance Co. is to be one of the chief speakers at the 29th annual meeting of the American Life Convention. The meeting will be held at Chicago from October 8 to 12.

Mr. Wood's subject will be "Permanance of Life Insurance."

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News of Canadian Mining Investments

The Week in Mining

"Artificial" Prices

PRODUCTION figures issued by the Ontario Department of Mines this week warrant study by those interested in mining, either market-wise or minewise.

As shown in a story elsewhere on these pages, Ontario's production will in the present year, in point of value, probably establish a new all-time record, and should exceed, by twenty-two million dollars the previous high level set in 1929.

Nor can this startling increase be credited purely to the inordinately high price of gold. In the article referred to, The Financial Post clearly shows that even when the gold content of the six months mineral production is valued at the former standard price of $20.67, the value of metals produced by Ontario during the first half of this year exceeded that for a similar period in 1933 by 46 per cent.

A surprising number of correspondents to The Financial Post have expressed the opinion that $35 gold is an "unnatural" and an "artificial" price, and that if this one factor in the present situation were suddenly withdrawn, the mining industry would receive a serious body blow. The Financial Post does not believe that $35 gold can properly be termed an artificial price, inasmuch as it is a world price. It would be just as erroneous to term prevailing base metal prices "artificial."

But even assuming for the moment that this point of view is tenable, the figures just issued by the Department of Mines show that, even apart from gold, metal production in the province has staged a healthy growth. There is no getting away from the fact that high gold prices have provided a tremendous stimulus to mining, but the point, as is made abundantly clear by the six months report, is that in the face of unprecedentedly low base metal prices, Ontario and Canadian mining, is growing, steadily, irrefutably, as an industry, and that this growth, while affected by, is not controlled by, present world economic conditions.

For example, nickel production from Ontario increased in the first six months of this year by no less than 178 per cent in quantity. Enough has been written to show that this increase is not due to armaments, which use only five per cent of the world nickel output. The increase is due to widening peacetime uses for the metal. Here is a growth which cannot be attributed to $35 gold.

Copper production in Ontario between Jan. 1st and June 30 increased over 100 per cent over last year's figures for the six months.

Of 25 different mineral products listed in the government report, the quantitative output increased during the six months in no less than 20. And, strange to relate, one of the five which shows a decrease in quantity produced is gold itself.

Intelligent investors will not be gloomed by the argument that the mining industry of this country depends on $35 gold.

* * *

Dull Market Week

THE mining market did nothing during the week to warrant mentioning it in dispatches. Gold muffed a beautiful excuse to do a little climbing when the price of gold on the London market rose steadily, to reach an all time high of 140 shillings, ten pence halfpenny on Sept. 4. Many of the junior issues softened during the week, probably as a result of the general inertia which usually marks a holiday week. Adding to the lack of activity was of course, the example set by New York, where a 12 year low record in volume of transactions was at one time threatened on the stock market. Just why a lethargic spell in New York Industrials should affect Canadian mining stocks, is one of the psychological factors which market men use, but don't understand.

* * *

Index to Mining Stocks

THE weighted index number of 23 mining stocks computed by the Dominion Bureau of Statistics, on the base 1926 equals 100, was 142.5 for the week ending Aug. 30, as compared with 142.5 for the previous week.

Nineteen gold stocks remained unchanged at 138.8, and four base metals stocks fell from 163.2 to 163.0.

O'Connell Gold Mines Makes Public Offering

O'Connell Gold Mines, adjacent to the Hollinger and Ventures operated properties in the Matachewan area, is continuing development work. The president, John J. Hollinger, states that there are now 22 men employed on two shifts. The shaft is down below the 100 ft. level showing ore values as high as $35 a ton.

The management announces plans to continue the main shaft to the 145-ft. level and then cross-cut to known veins on surface. The diamond drilling programme has been completed. Diamond drilling further proved a mineralized ore body approximately 285 ft. wide, officials state.

The vice-president, G. B. O'Connell, who has just returned from an inspection trip to the Matachewan area, advises intense activity on the adjoining claims of Young-Davidson and Matachewan Consolidated, the mills on both these properties being rushed to completion.

O'Connell Gold Mines is offering a limited number of treasury shares for public subscription.

Falconbridge Seeking Sudbury Basin Claims

Falconbridge Nickel Mines has made an offer to Sudbury Basin Mines to acquire the property formerly held by the Sudbury Nickel and Copper Co., now the property of Sudbury Basin, for a consideration of 30,000 Falconbridge shares. Sudbury Nickel and Copper Co. was absorbed by Sudbury Basin Mines in 1933.

The property consists of approximately 4,000 acres of claims around the Norite contact in the Sudbury Nickel range near Sudbury, Ontario.

Ont. Mineral Output To Set Record High Latest Figures Hint

Valuation of 1934 Output Should Exceed $140,000,000 —Nickel-Copper Industry Increases Production in First Half of 1934

Ontario's mineral production, in point of value, will in 1934 establish a new all time record. Based on the record of production during the first half of the year valuation of the year's output should exceed $140,000,000. This exceeds by approximately $22,000,000 the previous high level of $117,960,722 established in 1929.

Figures issued by the Ontario Department of Mines this week covering mineral production in this province during the first six months of the year show production for this period to have a greater value than the output of any previous six-month period, amounting to $71,204,584. This represents an increase in value of 64 per cent over the corresponding period of 1933 when production was valued at $43,326,782. These figures include exchange equalization on gold of $15,123,074 in 1934 and $4,905,386 in 1933. If the difference in the amount of exchange equalization is taken into account the increase in value only amounts to 40 per cent. With gold taken at the old statutory price of $20.67 an ounce the increase is 46 per cent.

Nickel Up 178 Per Cent

For the most part the increased production is due to the higher price of gold and to the recovery in the nickel-copper industry. Nickel production increased 178 per cent in quantity and 192 per cent in value. Output of copper also showed an increase of over 100 per cent. Output of non-metallic products improved slightly, reflecting the general improvement in business and industry. Estimated value of structural materials and clay products also registered an improvement.

The table which follows gives comparative figures for Ontario's mineral production during the first six months of 1934 and 1933. Exchange equalization received on gold is shown separately.

Ontario's Mineral Production—First Six Months 1933 and 1934

Product		Quantity (6 months) 1933	Quantity (6 months) 1934	Value (6 months) 1933 $	Value (6 months) 1934 $
Metallic					
Gold	ounces	1,092,392	1,040,222	22,581,749	21,503,242
Silver	ounces	2,303,668	2,642,037	760,879	1,170,320
Platinum metals	ounces	12,894	88,034	343,956	2,628,897
Copper, metallic and in concentrates	lb.	46,325,994	92,948,935	3,097,481	7,535,370
Copper in matte exported (a)	lb.	9,420,284	9,315,380	329,710	490,769
Nickel in matte exported (a)	lb.	22,802,434	63,315,706	5,149,355	15,016,662
Nickel, metallic, and contained in oxides, residues and salts	lb.				
Cobalt metal contained in oxides, salts, and material exported	lb.	193,150	314,527	280,359	360,334
Bismuth	lb.	3,458	3,977	1,550	3,977
Lead, pig and in concentrate	lb.	12,675	11,437	272	295
Selenium	lb.	8,600	....	17,200	....
Total		....	....	32,562,511	48,709,866
Exchange equalization on gold		....	....	4,905,386	15,123,074
				37,467,897	63,832,940
Non-Metallic					
Arsenic (white and other forms)	lb.	639,902	621,019	26,723	22,336
Fluorspar	tons	....	38	....	598
Feldspar	tons	1,689	1,958	19,904	21,473
Graphite	tons	104	756	5,739	32,879
Gypsum	tons	11,807	14,636	73,312	66,985
Sulphuric acid (b)	tons	2,317	7,566	23,170	75,660
Mica	tons	43	232	488	9,889
Mineral water	Imp. gals.	14,270	11,200	700	746
Natural gas	M. cu. ft.	4,100,763	4,216,000	2,626,100	2,649,000
Petroleum	bbls.	68,322	67,716	119,245	141,676
Quartz and quartzite	tons	22,878	23,477	28,789	31,895
Silica brick	M	....	277	....	10,327
Salt	tons	111,499	134,198	876,195	889,935
Talc	tons	6,390	6,716	58,520	68,245
Total		....	....	3,858,885	4,021,644
Structural materials (c)		....	....	1,600,000	2,600,000
Clay products (c)		....	....	400,000	750,000
Grand total		....	....	43,326,782	71,204,584

(a) Copper and nickel exported in the form of matte valued at 3½ and 18 cents per pound, respectively, in 1933 and at 5 and 18 cents in 1934.

(b) Sulphur content of acid recovered from sulphur fumes.

(c) Estimated on the basis of building permits issued and contracts awarded, also from monthly reports by the larger producers.

SILVER EXCHANGE DEALING TO START MIDDLE OF MONTH

Good Reception Accorded by Outside Interests to New Market

From Our Own Correspondent

MONTREAL. — Trading on the newly-created Montreal Silver Exchange is expected to commence before the middle of the month. Preliminary organization work is well advanced and interest in the new exchange is evidenced by the number of applications received for seats on the exchange.

While the names of those firms who have made application and received promise of membership have not been disclosed, seats have been allotted in New York, Toronto, Montreal, Shanghai, and other scattered centres in the United States and Canada. A number of the New York applicants have extensive connections with other large silver centres.

Reserve 100 Seats

Of the 150 seats on the Montreal Silver Exchange, present arrangements call for the issue of 50 of these to brokers or commission agents who are not members of the Montreal Stock Exchange or Curb Market.

The Silver Exchange has secured the services of A. J. Oulette, a technical expert on trading in silver.

Issue Members' Circular

The Montreal Stock Exchange has issued a circular to its members, containing information about the Silver Exchange. The circular reads in part as follows:

"The Montreal Stock Exchange has sponsored the formation of the Montreal Silver Exchange Inc. which exchange is incorporated under the laws of the province and is a separate organization.

"Contracts will be cleared through the Exchange Clearing House Company, Montreal, by members of the Montreal Silver Exchange Inc. who are members of the Exchange Clearing House Co.

"The brands of silver to be traded in on the Montreal Silver Exchange Inc. will have to meet the same requirements as those that were traded in on the Commodity Exchange Inc. of New York.

"By-laws, rules of trading and commissions are being patterned on those recently in force on the Commodity Exchange Inc. New York, Silver Section.

"Storage charges by warehousemen for the storage of silver bars in Montreal are expected to be in the neighborhood of — 2 cents per day per bar for the first three months; 1½ cents per day per bar for the next three months; 1 cent per day per bar thereafter. This charge is based on the assumption that bars weigh approximately 1,000 ounces."

Packsack Mines—With head office in Winnipeg, have acquired 15 claims under option from the Montcalm-Tine Mines Ltd., in the Rice Lake district area of Ontario, The Financial Post is informed by H. R. Drummond-Hay, solicitor for the company. The details of the set-up and the personnel of the directorate are not yet arranged, but T. G. Vatcher, Toronto, and R. D. Law, of Beeton, Ont., will be directors.

New Town Born To Serve Mines In Long Lac Area

From Our Own Correspondent

SUDBURY.—Indications that Geraldton, on the Canadian National Railways, about midway between Hardrock and Bankfield, the three centres serving the Little Long Lac mineral fields, is to be established as a permanent townsite are apparent in the decision of the Sudbury Diamond Drilling Co. who owns considerable portion of the ground at Geraldton, to erect a 30-room hotel there, together with a warehouse and other buildings.

A number of lots have already been sold on the townsite, including some to the Roman Catholic diocese for a church and a school. The hotel, it is understood, will cost about $40,000 and D. M. Morin, of Sudbury, a director of the Sudbury Diamond Drilling Co. and of Little Long Lac Mines, has been at Geraldton for some days superintending the details of construction.

It is understood the Canadian National Railways will construct a station and freight shed at Geraldton. W. T. Moodie, superintendent of eastern lines, has been on the ground inspecting the situation.

The jumping off place at present is Hardrock, where a branch bank is already located, and where plans for construction of business buildings are also proceeding. During the summer freight is transported to the Little Long Lac mine by scow down the lake, the waters of which usually freeze up in November and remain frozen until May.

Little Long Lac Mines has cut a road from Geraldton, but it will be necessary to build a bridge or trestle over a narrow, shallow portion of the lake.

CADILLAC-O'BRIEN RANKS AS PRODUCER

Quebec Mine Now Handling 80 Tons of Ore Daily at Mill

From Our Own Correspondent

MONTREAL. — Cadillac-O'Brien mine, one of the latest additions to the list of gold producers in Northern Quebec, is now handling an average of about 80 tons of ore daily in its mill. Up to July 14 last the property had handled 42,692 tons of ore, with an average gold content of $15.75 a ton with gold valued at $35 an ounce.

This production has come entirely from a depth of 300 feet. At this depth and within 1,000 feet of the main shaft, there is estimated ore blocked out of 41,800 tons, containing an average of $11.90 per ton. This value is being continually checked against actual milling results. Over 8,000 tons—estimated to average .437 oz. or $15.30 a ton, was on July 14 last broken in stopes and ready for milling.

Open New Levels

The main shaft has recently been sunk to the 529-ft. level, and stations and levels opened up at 400 and 500 ft. Nos. 1 and 2 veins have recently been crosscut and drifting is proceeding with satisfactory results.

Cadillac-O'Brien mine is owned and operated by M. J. O'Brien Ltd., of Ottawa. The property comprises a block of 445 acres in Cadillac township.

WEST RIVER AREA IN SUDBURY FIELD REGAINING FAVOR

Early Finds Form Basis of Comprehensive Mining Activity

From Our Own Correspondent

SUDBURY — The intensive and widespread search for gold inspired by the large premium on the price of the precious metal has brought into unusual prominence many new fields in Northern Ontario, some of which have come into production in a brief space of time following the original discoveries. Other sections, where gold deposits have for many years been known to exist, have remained inactive until recently, but are again attracting interest by reason of their entry into an era of successful development.

With the turning over recently of the new 125-ton mill of McMillan Gold Mines Ltd. on to pay ore, the West River mineral area, located about 65 miles west of Sudbury, officially joined the steadily enlarging gold-producing list. The pouring of the first brick, an event shortly to be observed, comes after an interval of nearly a quarter of a century from the time of the original discoveries in the district.

Before the Great War, back in 1910, when the Porcupine area was creating much excitement among prospectors and mining men, gold finds were also being made in the West River area, and although not a great deal was done with them at the time and they did not occasion any unusual stir, it turned out that they were ultimately to supply the basis of comprehensive mine development.

Glamor of Porcupine

Such well-known prospectors as Bob Tough, R. R. Smith, Chas. Johns, Jack Elliott and Mons Williams were prominent in the early days in prosecuting preliminary development of the area, but apparently the glamor of Porcupine, to be followed later by Kirkland Lake and other fields, served to detract interest from the West River prospects, and comparatively little was done for a number of years.

There came a time, however, when attention was revived. When a mining plant was moved into the McMillan Gold Mines in 1926 some work had already been performed on the property by previous owners, including a test pit 12 ft. deep and other surface exploration. McMillan Mines proceeded to sink a two-compartment shaft and undertook a programme of real mining, which included a campaign of diamond drilling. Results were fairly successful underground until the 1929 financial crash compelled suspension of operations. Work was resumed, however, in June 1933 and since that time four levels have been developed and a tonnage of ore placed in sight that it is estimated will provide the present mill with feed for five or six years.

Old-Time Methods

Another property now under systematic development in West River is the Bousquet Gold Mines, where the original finds were made 24 years ago. The company has sunk a shaft 150 ft. in depth and drifted east and west on the main vein for a total distance of over 400 ft., proving up a block of ore estimated by officials of the mine at 18,000 tons with an average value of $18 per ton in gold. Recently exploration of the 150-ft. level was suspended to facilitate the deepening of the shaft to 300 ft. and the opening of another level at that horizon. At present a depth of about 230 ft. has been reached and the company expects to attain the 300-ft. objective within the next three weeks, when a station will be cut and preparations made for exploring the ore deposit at the lower level.

Other properties under active development in the West River region are those of the Fox Lake Gold Mines, Bob Tough Gold Mines, Carruthers Gold Mining Syndicate, Schwarte and associates, and LaCloche Gold Mining Syndicate, all of which have surface showings which are in process of development by test-pitting and trenching. Fox Lake Gold Mines is installing a small mill of 30 to 50 tons daily capacity and will treat a large tonnage of oxidized material from the surface. An unusual practice in Northern Ontario mining has been carried on at the Fox Lake holdings, where the old-fashioned sluice box and pan method has been adopted to treat the decomposed mass and considerable free gold has been recovered in these operations.

Government Interested

Directors of Bob Tough Gold Mines have just announced definite plans for sinking a shaft on what is known as the "B" showing. Machinery and material have been purchased for the work. The company in a recent diamond drilling campaign is reported to have disclosed encouraging values in seven drill holes, the "A" zone showing widths up to 27 ft. intersecting the main vein, with No. 4 hole assaying $5.95 over 10 ft. On the "B" zone an assay of $25.90 in gold over 10 ft. of sludge from 195 to 205 ft. was obtained in the No. 6 hole. It is on this section that shaft sinking will be commenced.

Early claims that the arsenical properties of the West River ore militated against the satisfactory treatment of the ore have since been disproven, and encouraging recoveries were made in tests with the cyanide treatment before the construction of the McMillan mill.

A government party under H. C. Rickaby is making a geological study of the West River section, and it is expected the report will be available this fall.

Metal Prices

New York—Sept. 4—
Copper: Electrolytic, spot and future, 9c.
Silver: 49¼c.
London—Sept. 4—
(Long Ton)—
Copper: Electrolytic spot, £31; future, £31 10s. Standard spot, £28; future, £28 7s 6d.
Tin: Spot, £229 17s 6d; future, £228 12s 6d.
Lead: Spot, £10 10s; future, £10 15s.
Zinc: Spot, £13 5s; future, £13 10s.
Silver: 21¼d. per ounce.
Gold: 140s 10½d.
Canada—Sept. 4—
Gold: $34.46.

Cadillac Gold District Active on Ten Mile Front

Quebec Area, Producing Richest Ore in America, Makes Mighty Strides, Survey Shows

From Our Own Correspondent

AMOS, QUE.—The picture of the magnitude of the Cadillac Gold area is rapidly unfolding.

The high grade production of the O'Brien Mine; the new and imposing mill on the Thompson-Cadillac, the incessant hum of diamond drills throughout the belt are but the prelude to the complete development of the area.

The gold ore deposits of Cadillac are associated with high temperature and high pressure minerals coming from great depth

The length of the Belt is known. The width is uncertain. Gold values occur freely over a length of ten miles, the width of the township.

Work is going on over a width of ten miles, right down to the Surimeau Boundary at the south and recent results in that area are highly interesting.

The highway roughly parallels the Northern ore zone and heavy machinery may be transported from Amos or from the wharf on the Heva River. A new telephone system is being installed by Frank Blasi, Jr., one of a pioneering Amos family.

The most westerly property, that of Thompson-Cadillac Gold Mines lies along the Bousquet boundary and ties out Cadillac-O'Brien Mine on the east. It occupies a length of approximately two miles of the ore zone and some of the drifts are in high grade ore within 300 ft. of the O'Brien line. An excellent spirit of co-operation exists between the two managements.

Aim at 250 Tons

Thompson-Cadillac is developed to a vertical depth of 600 ft. and has from spectacular high grade to wide marginal bodies of commercial ore. There will be no difficulty in feeding the new mill a capacity of 150 tons a day during the turning-up process, officials believe, and by the installation of an additional filter for which the foundation has been provided, this capacity will eventually be stepped up to 250 tons.

E. S. Turner, who is responsible for the successful outcome of the negotiations which led up to the present development has spent hundreds of thousands of dollars in Cadillac and it is due in a great measure to his faith that the area is being intensively developed.

Writing on the subject of the O'Brien Mine is a task not to be lightly accepted and one which is very generally avoided because this is a private operation and while the utmost courtesy is always extended to visitors by the management, no figures are published or available. Here is being mined the richest gold ore in America.

In addition to the wide streak of yellow gold crossing the clean-up table twenty-four hours a day and 365 days a year, there is constantly stored in the steel and concrete vault, boxes of quartz, slabs of rock which are literally plastered with the precious metal. Pieces weighing a few pounds and valued at a thousand dollars are frequently encountered and with present operations, at a mere 500 ft. and with a length of 7,000 ft. on the ore zone there is much scope for imagination.

Just One Gap

The only gap in the chain of operations is represented by the Canadian Gold Operators property East of O'Brien. Here a very limited development under Ventures could not be regarded as a definite test but notwithstanding the limited nature of the operation, sections of ore were encountered and it is thought to be only a question of time when this property will be properly opened up and ore intersections found in diamond drilling near both the west and east boundaries will be investigated underground.

East of Gold operators the Turner organization is at work on the Rangee Cadillac claims, now known as Cadillac Explorations. The surface is being literally torn up for sampling, there being both a portable compressor and diamond drill at work.

There are known ore sections, porphyry intrusives and the type of vein matter encountered on the producing properties. The two claims represent a 2,800 foot section of the "Cadillac Break" and are not lacking in evidence of important gold ore deposition.

Further east, Pandora occupies a long stretch of favorable formation and work to a depth of 500 ft. has proven the existence of at least two ore bodies of commercial grade but so far internal dissension and financing difficulties have delayed putting the property into production.

Tonawanda joins Pandora on the east and there results are excellent.

The remaining two and one half miles of the "Break" extending east to the Malartic boundary present a challenge.

MYSTERY, ROMANCE BEHIND PLACER MINE

Two Brothers Valley Gold Mines to Offer Shares to Public

Two Brothers Valley Gold Mines is shortly to offer the public a block of stock at 85 cents per share. Officials of the company have informed The Financial Post that C. E. Powell, and associates have underwritten 50,000 shares at 40 cents and have an option on 200,000 more at the same price.

Two Brothers Valley Gold Mines owns a placer prospect covering about 5½ miles of McLaren Creek about 19 miles from Two Brothers River at Two Brothers Lake and several miles on Moosehorn Creek in Northern British Columbia, and also about 10 miles of Placer leases in the vicinity of Cabin, at Scurvy Creek, and Stone Axe Lake on the upper Liard River. The company claims that leases on the Two Brothers River, McLaren and Moosehorn Creeks have been tested by company prospectors and have been found to contain a wide distribution of fine and coarse gold and black sand containing "high" value.

Loses Gold, Saves Bride

The McLaren Creek property has a romantic background having been discovered by a prospector named McLaren in 1925. McLaren is said to have brought back to Seattle a poke of gold valued at $17,500. He married in Seattle, took a holiday and returned the following year with his bride to his diggings. Returning by raft down the turbulent Turnagain, he was wrecked on a pile of driftwood, losing his gold and all his belongings. He and his wife, barely escaped with their lives. Next year he returned and was not seen again, the fate of himself and his partner, being one of the mysteries of the North. It is generally supposed that McLaren and his comrade were killed by the Bad Indians of the Upper Liard River, who it is believed feared that the gold rush into that territory would materially interfere with their hunting ground. Efforts on the part of his wife, to rediscover the Placer prospect proved futile. The area was rediscovered in 1932 by a prospector named Thomas Thomas who died the same year in Edmonton.

Visited by Air

In 1933 an airplane party visited the property in the Two Brothers Valley, ultimately selling it to the present company. Two Brothers Valley Gold Mines has an authorized capitalization of 5,000,000 shares of no par value, of which 1,200,000 shares were issued for property in Two Brothers Valley, McLaren Creek and Moosehorn Creek, and held in escrow; 250,000 shares used for equipment, exploration, airplane, testing of property, development to date, also held in escrow and the present offering of 500,000 shares.

The president of the company is Nelson S. Smith of Calgary, vice-president and managing directors are George M. Bell, John J. O'Connor, of Calgary, secretary-treasurer, Henry O'Connor, of Calgary; directors, Dr. R. E. Neidig, Calgary and Dr. A. G. Scott, Bassano, Alberta. Consulting engineer for the company is Major H. W. Davis of Vancouver. The company has three Fokker Universal airplanes in use to transport equipment to the property.

N.C. URQUHART & CO.
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15 King Street West Toronto, Ont.
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PAYMASTER HOPES WEST DOME LAKE TO PRODUCE SOON

Annual Report Shows $82,077 Spent on Development

The financial statement of Paymaster Consolidated Mines for the year ending June 30, 1934 shows a total of $82,077 expended on mine development while head office and executive expense amounted to $7,863, making a total expenditure of $89,940 for the year. Receipts, on the other hand, totalled $3,994, consisting of $2,948 in rentals and $1,045 in interest, which left a balance of $85,946 to be charged to development account.

Working capital has declined $7,500 since January 15 when the last balance sheet was issued, the report shows, amounting to $48.795 as at June 30 as against $56,298 on January 15. Current liabilities as at the latter date showed an increase of approximately $7,000, totalling $7,373 as against $224. Current assets remain approximately the same at $56,392. Cash amounted to $40,582, Dominion of Canada bonds to $15,240 and accounts receivable to $570. Current liabilities consisted of wages and salaries payable to an amount of $3,380 and accounts payable of $3,993.

Valuation of mining properties owned by the company remains the same at $2,417,894, while plant and equipment show a slight increase at $1,059,553. No provision has been made for depreciation of buildings, plant and equipment. Deferred charges are also somewhat higher with development account up from $70,987 to $123,333 and discount on capital stock increased from $1,197,630 to $1,712,954. Legal and incorporation expenses are carried at $19,644 and commission paid on sale of shares at $47,125. Investment in other companies, consisting of 950,000 shares of Emoire Gold Mines and 10 shares in the Porcupine Skating Rink, are shown at a book value of $5,001.

Look to Production

Capital stock of $1 par value, issued and fully paid, has increased from $4,224,319 to $4,878,244. In addition 610,074 shares are reserved for the purpose of exchange for shares of companies acquired by Paymaster Consolidated.

Paymaster Consolidated, which was formed in 1930 as a consolidation of United Mineral Lands Corp. and the West Dome Lake Gold Mines is expected to bring the latter property into production some time in September. The property is equipped with a cyanide mill and it is understood that the initial milling rate will be approximately 100 tons of ore daily. Under previous operations more than $1,000,000 worth of ore was produced from these workings.

Since operations were resumed by the company about a year ago work has been concentrated on the West Dome Lake property. The Heinze shaft has been dewatered and considerable development work done. Approximately 32,000 tons of .31 oz. per ton grade of ore has been developed at this shaft from which the company plans to take its mill feed for the first few months at least. The milling rate will be increased as developments in the main Dome Lake shaft warrant.

DOM. EXPLORERS STOCK IS LISTED

Company is Headed by MacAlpine-Errington-Lindsley Group

The managing committee of the Toronto Stock Exchange has approved the application of Dominion Explorers Ltd. for the listing of its shares on the mining section of the exchange, and the stock was called for trading on Tuesday, September 4.

Dominion Explorers is an Ontario incorporation which was formed in March of this year to take over a company of the same name which was incorporated by Ventures Ltd. and associated interests under a Dominion charter. Shareholders in the original company received one share in the new company for every four shares held. Shares of the old company have been traded on the curb market of the Toronto Stock Exchange and coincident with the listing of the new stock these were withdrawn from trading.

The company acts principally as an exploration and development organization in northwestern Canada.

Currents assets of $7,859, including $7,364 cash, are shown by the company's balance sheet as at June 21, 1934. Current liabilities amount to $562. The company's investments are shown at $26,818, including 29,625 shares of White Eagle Silver Mines which are carried at a book value of $13,479 while the market value is $7,554. The company also owns 10,715 shares of Ventures Ltd.

The company is headed by C. D. H. MacAlpine, Toronto. Joseph Errington is vice-president and the other directors are D. M. Hogarth, T. Lindsley and F. J. Bailes, all of Toronto.

Subject to Prior Sale or Allotment

OFFERING OF
200,000 TREASURY SHARES
O'CONNELL GOLD MINES
(No Personal Liability) LIMITED
AT 30 CENTS PER SHARE

CAPITALIZATION

AUTHORIZED .... 3,000,000 SHARES N.P.V.
ISSUED—FOR PROPERTIES .... 1,200,000 SHARES N.P.V.
FOR CASH (INCLUDING THIS ISSUE) .... 400,000 SHARES N.P.V.
IN TREASURY .... 1,400,000 SHARES N.P.V.

PROPERTIES: The property consists of five claims (owned outright), approximately 230 acres, in Powell and Cairo Townships, Matachewan mining area, registered in the office of the Mining Recorder, and lying adjacent to the properties of the Matachewan Consolidated and Young-Davidson.

GEOLOGY: O'Connell Mines share with Young-Davidson (Hollinger-operated) and Matachewan Consolidated (Ventures-operated) the great gold-bearing rock structures of Powell and Cairo Townships.

DEVELOPMENT: The property is now modernly equipped with a complete mining plant capable of reaching a depth of 1,000 feet, with the present shaft already below the 100-foot level. Over 3,000 feet of diamond drilling, and 5,000 feet of trenching have been done in uncovering ore bodies and proving our property. Electric power—Hydro—timber, water and transportation facilities essential to a profitable producing mine are already available.

ASSAYS
(Certified by the Ontario Provincial Assay Office)

ONTARIO DEPARTMENT OF MINES
ASSAY OFFICE
CERTIFICATE OF ASSAY
No. 1120:
This is to certify that the samples assayed by us for Mr. John Hollinger, Toronto, Ont., gave the following results:

No. 1	$ 8.00	No. 6	$ 8.00
No. 2	36.60	No. 7	19.80
No. 3	1.40	No. 8	19.80
No. 4	9.20	No. 9	110.00
No. 5	11.40	No. 10	47.00

September 20th, 1933.
"W. K. McNEILL," Provincial Assayer.

ONTARIO DEPARTMENT OF MINES
ASSAY OFFICE
CERTIFICATE OF ASSAY
No. 1285:
This is to certify that the samples assayed by us for O'Connell Gold Mines Limited, Toronto, Ont., gave the following results:

No. 1	$ 32.00
No. 2	739.20
No. 3	12.20

October 13th, 1933.
"W. K. McNEILL," Provincial Assayer.

MANAGEMENT: Under the personal direction of John J. Hollinger, brother of the late Benjamin Hollinger, discoverer of the original claims of the great mine which bears his name. The extensive experience of J. J. Hollinger in the Canadian mining fields gives confidence in the possibilities of the O'Connell holdings.

EXTRACT FROM ENGINEER'S REPORTS: "This property seems to me to offer the best prospect of favorable development in this district; outside, of course, of the two already proven—i.e., Young-Davidson (Hollinger-operated) and Matachewan Consolidated (Ventures-operated). It has the advantage of being on the strike of these properties with the same structural conditions and similar geology, and not over thirty-five chains from the Matachewan Consolidated shaft."

"The result of No. 1 hole, on claim 5651, is very interesting. The hole gave an average of $16.00 per ton over 25 feet at a point almost directly under where the good assays were obtained on the surface. The mineralized ore zone at this section is at least 285 feet wide."

(Sgd.) J. W. MORRISON, B.Sc., M.E., Consulting Engineer.

Previous Mining Affiliations: Mine Capt. B.C. Copper Company, 1908-9. Manager Miller Lake O'Brien Mine, 1913-14. Manager Lake Shore Mines, 1914-18. Manager Argonaut Mines, Ltd., 1918-22.

PURPOSE OF PRESENT ISSUE: The proceeds of the present offering are to be used to continue the deepening of the shaft and opening ore bodies on the various levels, and to continue the definite plans of the company for bringing the property into production.

President and Managing Director: JOHN J. HOLLINGER.
Vice-President: G. B. O'CONNELL, Toronto
Secretary and Treasurer: A. G. PLAXTON, Toronto.
Bankers: IMPERIAL BANK OF CANADA, Toronto.
Solicitors: PLAXTON, SIFTON & COMPANY, Toronto.
Transfer Agents: CAPITAL TRUST CORPORATION, Toronto, Ontario.
Auditors: PRICE, WATERHOUSE & COMPANY, Toronto, Ontario.
Subscriptions may be placed through your own Broker, or sent direct to

HEAD OFFICE:
O'CONNELL GOLD MINES, LIMITED
Imperial Bank Chambers, 53 King Street West, Toronto, Ont.

Complete Engineers' Reports and further information will be sent on request.

NOTE: The Company reserves the right to close its subscription book on Treasury Shares at the above price without notice, and return all unfilled orders for shares.

LD PRODUCTION OM ONT. MINES STORY'S HIGHEST

t Amount for First Half f Year Drops by 52,170 Ounces

roduction of gold from Ontario nes in the first six months of 1934 l a current valuation of $36,626,316 cording to the report on mineral oduction in Ontario for the first lf of the year which was issued is week by the Ontario Depart- ent of Mines. This is the highest vel reached in point of value in e history of the industry in this rovince. Production in the corres- onding period of 1933 was valued t $27,487,125. In other words, pro- duction increased 33¼ per cent.

While production at current market prices shows an enormous increase over the corresponding period of 1933 the actual amount of gold produced showed a decrease of 52,170 ounces, amounting to 1,040,220 ounces in the first half of the present year as against 1,092,392 ounces in the first six months of last year. The value of production, with gold taken at the old statutory price of $20.67 an ounce, declined from $22,581,749 to $21,503,242. Exchange compensation however amounted to $15,123,074, bringing the value substantially above that of any previous six month period. In the corresponding period of 1933 exchange compensation was $4,905,386.

Second Quarter Down

Production in the second quarter of the year declined slightly as compared with the first quarter, the report reveals. In the three months ended June 30 output amounted to 498,474 ounces as against 541,748 ounces in the quarter ended March 31.

Porcupine camp led in tonnage of ore treated, and the average value of ore milled in this camp was $5.39 per ton, giving a total normal value of $9,561,456 as compared with the value of the Kirkland Lake production of $10,654,626 where the average value of ore treated was $10.67. Reflecting the increased activity in northwestern Ontario the normal value of production in this area was higher than in the corresponding period of the previous year, amounting to $792,665. Eight newcomers are noted among the producers in this latter area in comparison with a year ago.

The following tabulation gives comparative quarterly production figures of the various producers:

	2nd quar. 1934	1st quar. 1934
PORCUPINE CAMP		
Anglo Huronian (Vipond)		
Total recovery, $	93,311	75,676
Tons milled	24,929	25,864
Rec. per ton, $	3.74	2.93
Tons daily	274	287
Buffalo-Ankerite		
Total recovery, $	99,879	108,949
Tons milled	29,100	28,868
Rec. per ton, $	3.43	3.76
Tons daily	320	320
Coniaurum		
Total recovery, $	98,219	143,682
Tons milled	35,457	30,442
Rec. per ton, $	2.77	4.72
Tons daily	390	338
Dome		
Total recovery, $	1,076,112	1,115,766
Tons milled	137,100	136,100
Rec. per ton, $	7.85	8.20
Tons daily	1,506	1,512
Hollinger		
Total recovery, $	2,247,946	2,096,935
Tons milled	463,857	451,586
Rec. per ton, $	4.85	4.64
Tons daily	5,097	5,017
McIntyre		
Total recovery, $	1,197,570	1,205,246
Tons milled	207,300	204,045
Rec. per ton, $	5.78	5.91
Tons daily	2,278	2,268
Porcupine Total		
Total recovery, $	4,815,202	4,746,254
Tons milled	897,743	876,905
Rec. per ton, $	5.36	4.88
Tons daily	9,865	9,715
KIRKLAND LAKE CAMP		
Ashley		
Total recovery, $	69,317	65,317
Tons milled	10,834	10,610
Rec. per ton, $	6.40	6.14
Tons daily	119	118
Barry-Hollinger		
Total recovery, $	24,358	14,555
Tons milled	7,810	5,020
Rec. per ton, $	3.12	2.90
Tons daily	86	56
Kirkland Lake Gold		
Total recovery, $	98,576	87,762
Tons milled	16,883	13,853
Rec. per ton, $	5.84	6.35
Tons daily	185	154
Lake Shore		
Total recovery, $	2,579,373	2,440,000
Tons milled	209,867	206,048
Rec. per ton, $	12.29	11.35
Tons daily	2,306	2,295
Moffatt-Hall		
Total recovery, $	25,367	......
Tons milled	1,272	......
Rec. per ton, $	19.94	......
Macassa		
Total recovery, $	175,429	168,206
Tons milled	16,777	15,523
Rec. per ton, $	10.46	10.18
Tons daily	184	183
Sylvanite		
Total recovery, $	243,754	281,135
Tons milled	24,772	23,888
Rec. per ton, $	9.84	11.77
Tons daily	272	265
Teck-Hughes		
Total recovery, $	957,543	848,372
Tons milled	118,300	117,000
Rec. per ton, $	8.09	7.25
Tons daily	1,300	1,300
Toburn		
Total recovery, $	99,932	106,566
Tons milled	8,757	8,933
Rec. per ton, $	11.41*	11.93
Tons daily	96	99
Wright-Hargreaves		
Total recovery, $	1,155,462	939,675
Tons milled	89,422	70,147
Rec. per ton, $	12.90	13.40
Tons daily	993	762
Kirkland Lake Total		
Total recovery, $	5,477,323	5,167,303
Tons milled	506,791	491,297
Rec. per ton, $	10.81	10.52
Tons daily	5,569	5,460
NORTHWESTERN ONTARIO		
Ardeen (Moss)		
Total recovery, $	25,769	34,237
Howey		
Total recovery, $	280,336	255,196
Tons milled	119,020	120,412
Rec. per ton, $	2.36	2.12
Tons daily	1,308	1,335
Minto		
Total recovery, $	16,123	35,114
Tons milled	4,390	5,853
Rec. per ton, $	3.67	6.03
Tons daily	48	65
Parkhill		
Total recovery, $	45,061	47,997
Tons milled	5,121	4,423
Rec. per ton, $	8.80	10.84
Tons daily	56	49
Northwestern Area Total*		
Total recovery, $	420,121	372,544
Tons milled	136,553	141,553
Rec. per ton, $	3.07	2.63
Tons daily	1,502	1,570
ALL ONTARIO		
Total recovery, $	10,733,102	10,286,101
Tons milled	1,541,270	1,509,755
Rec. per ton, $	6.96	6.81
Tons daily	16,937	16,750

*In addition to the producers shown above there are eight newcomers to the ranks of the producing mines in the Northwestern area. These are as follows: Dik-Dik, Golden Star, J. M. Consolidated, Northern Empire, St. Anthony, M. J. Hendrick (Grace Lake), Foley Syndicate, Duport Mining Co. and Saunardy Syndicate. The production of these properties to date has been comparatively small.

B. C. Nickel Mines—No. 1 tunnel has advanced another 123 ft. to a total distance of 3,494 ft. from the portal, with the face in fairly well mineralized rock, officials of this company state. No. 2 tunnel has advanced another 51.5 ft. to 1,378 ft. from the portal.

KOOTENAY BELLE OPENING UP ORE READY FOR MILL

Expect 60-ton Mill to Turn Over Before Year's End

From Our Own Correspondent

VICTORIA. — Machinery for the 60-ton mill now under construction at the Kootenay Belle Gold Mines adjourning the Queen mine in the Sheep Creek district is expected to be installed during September and October, bringing one more mill in this district into production before the end of the year.

On a recent visit to the property, the writer went through the underground workings where ore is being opened-up ready for the mill. On the Number 2 level one ore shoot 500 ft. in length and averaging three ft. in width with 230 ft. of backs, will, it is estimated, give in excess of $650,000 worth of ore for milling purposes. This ore is in the A vein which has been the most substantially developed to date.

Concentrate on "B"

Work is now being concentrated on the "B" vein on this level. This vein has been opened in the east drift showing a width of five ft. in the fact and assaying from .3 to .5 oz. gold per ton, while in the west drift it has widened to six ft. and is showing good values.

Ore for direct shipment to the smelter is being drawn from the No. 1 level and from stoping operations in the east drift on No. 2 level. Coarse ore is being left on the dump for mill treatment while the fine material is being shipped direct to the smelter. Up to the present ore shipments have returned sufficient to pay for development, while in July expenses amounted to $3.500 with ore shipments totalling $7,000.

The installation of the new mill is being watched with great interest in the district as it will be the first Hadsel type in operation.

Movements of Mining Men

Bob Tough, president of Bob Tough Gold Mines, was in Sudbury last week, purchasing supplies in connection with the launching of a shaft-sinking programme at the McKinnon Twp. property outlined recently in The Financial Post.

MINRAND GOLD BUYS ADJOINING PROPERTY

Will Diamond Drill to Establish Size of Mineralized Zone

Minrand Gold with property in the Siscoe area, Quebec, announces in a report over the signature of L. S. Lighthall, president, that it has now acquired two claims adjoining the company's property to the east upon which diamond drilling is to establish the extent of the mineralized zone previously located. Minrand Gold, incorporated under the Dominion Companies Act has an authorized capitalization of 2,000,000 shares of no par value of which 1,227,405 have been issued. Of these 625,000 are deposited in escrow for a period not exceeding two years from October 1, 1933. The company now holds about 1,600 acres located in Dubisson Twp., Siscoe district. A shaft has been sunk to a vertical depth of 96 ft. with 600 ft. of lateral work. Mr. Lighthall claims that diamond drilling resulted in location of a highly mineralized zone carrying exceptional values over a considerable width. Development of this area was not made until the adjoining property could be acquired as it appeared evident that the ore body extended beyond the company's boundary lines.

Officers and directors of the company in addition to Mr. Lighthall include George R. Williams, vice-president; E. G. Higginson, W. K. Rutherford, directors and Felix Vezina, director and secretary-treasurer, all of Montreal.

Normandy Changes Name and Capital Structure

Shareholders of Normandy Mines Ltd., meeting in Winnipeg recently passed a resolution transferring all the assets and liabilities of Normandy Mines Ltd. to Normandy Gold Mines Ltd., capitalized at 3,000,000 shares no par value in which company 100 shares will be given for each share held in Normandy Mines. This carries out the original idea indicated at the formation of the Normandy Mines Ltd. It is the intention of the new company to place an issue of stock on the market to raise additional funds to carry out the development work planned.

George H. Salton, engineer, reports that with a crew of 12 men work is now proceeding at three locations on the property, two of these are in the Creek area, east of the camp of the Hunter claims and the other is on the Normandy claim, west of the camp.

Company officials state that a contract has been let for the erection of additional buildings to accommodate larger crew of men. It claims to have sufficient money in the treasury to carry out the immediate programme of work including diamond drilling.

Dome Finishes Sampling Avocalon Synd. Property

From Our Own Correspondent

AMOS, QUE.—Engineers for Dome Mines have just concluded sampling the Avocalon Syndicate properties in Vauquelin Twp. On this find it is officially claimed that two distinct showings have been uncovered as a result of the surface exploration carried out this season and still going forward. The south showing comprises a high grade quartz tourmaline vein, heavily mineralized with sulphide. It is also claimed that visible gold can be seen in at least two places. The Avocalon property, comprising 36 claims, is located about one and one quarter miles east of the Louvicourt River. The Bussieres mine is about 12 miles due west. The syndicate is controlled by Toronto and northern people with Washington interests providing finances for present development.

Blouin Lake Gold Mines Find Several Shear Zones

Latest reports from the Blouin Lake Gold Mines property, according to W. W. Davis, consulting engineer for the company, are that several shear zones have been picked up by surface exploration. These shears strike approximately north and south and also northwest and southeast. Rock trenches are being put in to get below the weathered surface vein matter so that it may be inspected and sampled. The property is located in Bourlamaque Twp., northwestern Quebec, and adjoins Sigma and Lamaque on the north and Nu Sigma on the west. Head offices of the company are in Ottawa with Senator A. D. Copp, Sackville, N.B., as president, J. M. Fancy, vice-president and O. E. Culbert, secretary-treasurer.

Mining Stock Quotations

Week Ending September 3.

Par Val.	Range 1934 High	Low	Company	Sales	Close Aug. 27 (or last)	High for week	Low for week	Close Sept. 3
1	.06	.01	Aconda	2,500	.01¼	.01	.01	.01
No	.33	.13	Aldermac	4,300	.19	.19	.18¼	.18¼
1	.10	.01¼	Alexandria	64,000	.02	.02	.01½	.02
No	.18	.07½	Algoma	18,000	.08	.10	.08¼	.09¼
1	.04	.01¼	Amity Copper	15,700	.01½	.01½	.01½	.01½
No	4.51	2.00	Anglo-Huronian	1,410	4.01	4.10	4.01	4.10
1	.08½	.03	Area	3,000	.03½	.03½	.03½	.03½
No	.20	.02	Arno	......	.03	.....	.....	.....
1	1.25	.40	Ashley	4,500	.50	.50	.46	.48
1	.18	.06¼	Astoria Rouyn	10,000	.07	.07½	.06½	.07½
1	.60	.04	Bagamac	46,800	.12	.12½	.11	.11½
1	.04½	.00¾	Baldwin	7,000	.01¼	.02	.01¼	.02
1	.22	.09	Barry Hollinger	8,600	.11½	.11½	.10	.10½
1	2.05	.92	Base Metals	3,070	.95	1.00	.94	.94
1	.91	.16	B.E.A.R.	76,500	.26½	.33	.26	.32
1	.51	.26½	Big Missouri	5,585	.35½	.34	.33	.34
1	.75	.23	Bobjo	43,425	.52¼	.53	.51	.51¼
1	3.72	2.40	Bradian	1,340	3.10	3.00	2.80	2.93
No	17.00	9.90	Bralorne	2,415	15.00	15.00	14.75	15.00
1	1.50	.35	Brazil Gold	......	.40	.....	.....	.....
1	.16	.03	Brett Trethewey	3,600	.03½	.03	.03	.03
50c	1.41	.28½	Bridge River Ex.	27,450	.82	1.00	.83	1.00
1	.09	.01½	Brownlee	401,600	.02½	.04	.02½	.04
1	.02½	.00¾	Buckingham	4,500	.01	.01	.00¾	.00¾
1	3.80	1.90	Buffalo Ankerite	17,560	3.70	3.75	3.40	3.55
No	.14	.04	Buffalo Can.	7,900	.05	.05	.04	.04½
5	37.50	23.50	Bulolo Gold	50	37.00	36.00	36.00	36.00
No	.05½	.01½	Bunker Hill	13,000	.01½	.01½	.01½	.01½
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	......	.03	.....	.....	.....
1	.20	.05	Can. Kirkland	33,950	.09	.09	.08½	.08½
No	.78	.38	Can. Malartic	9,385	.74½	.75	.70½	.75
1	.02½	.00¾	Capital Rouyn	5,700	.00¾	.00¾	.00¾	.00¾
1	2.85	1.00	Cariboo Gold	1,600	1.65	1.70	1.60	1.60
1	.09	.01	Cartier Malartic	16,100	.05½	.05	.04½	.04½
1	.81½	.49	Castle Trethewey	22,475	.58½	.62	.58	.58½
1	.16	.07	Cen. Manitoba	15,100	.13	.13	.11	.11½
1	1.24	.54	Cen. Patricia	120,330	1.10	1.24	1.04	1.21
No	.16½	.05½	Chibougamau Pros	235,300	.10½	.15	.10½	.14½
1	.15½	.04½	Church. M. & Mill.	7,100	.08	.08	.07½	.07½
No	.14	.04	Clericy	6,200	.04½	.04½	.04	.04½
1	.03½	.01	Clifton Cons.	1,000	.01	.01½	.01½	.01½
5	5.75	2.80	Coast Copper	60	3.00	3.00	2.85	3.00
1	.06¼	.02	Cobalt Contact	5,600	.03½	.03½	.03	.03
No	.94½	.20	Columario	3,300	.22	.25	.23	.23
5	2.45	1.35	Coniagas	670	1.75	1.90	1.60	1.90
No	1.60	.97	Coniaurum	2,038	1.45	1.45	1.40	1.40
25	170.25	118.00	Cons. Smelters	565	141.00	141.00	137.50	138.75
25c	.36	.31	Crown Cons.	17,400	.35½	.36	.35½	.36
No	45.50	32.25	Dome Mines	1,220	42.00	44.00	41.25	43.80
No	.07½	.02	Dom. Explorers	11,000	.03	.03½	.02¼	.03½
	.02½	.00¾	Dominion Kirk	......	.00¾	.....	.....	.....
1	.17½	.01	Duparquet	11,050	.09½	.10	.07	.07
1	4.35	1.76	Eldorado	8,830	2.60	2.60	2.42	2.50
No	4.15	3.00	Falconbridge	875	3.95	4.00	3.81	3.81
1	.11½	.01½	Federal	3,500	.03½	.03½	.03	.03
No	.07	.02½	Gilbec	17,600	.03	.03	.02½	.02½
No	4.30	.70	God's Lake	33,375	2.65	2.70	2.55	2.57
1	.30	.08	Goldale	25,690	.22	.24	.22	.23½
50c	.47	.35	Gold Belt	1,000	.35	.39	.38½	.38½
1	.57	.16	Goldfield	......	.18	.....	.....	.....
1	.43	.17	Goodfish	3,100	.18	.19	.18	.18½
1	.18½	.02½	Graham Bosquet	47,800	.06½	.07½	.05½	.07½
1	1.09	.50	Granada Gold	7,000	.65	.64	.62	.63
No	.53	.20	Grandora	500	.26	.26	.26	.26
1	1.22	.66	Greene Stabell	18,400	.76	.78	.74	.75
1	.18	.05	Grozelle	1,000	.08	.08	.08	.08
1	.48	.08½	Grull Wihksne	1,100	.09	.08½	.08½	.08½
1	2.50	1.28	Gunnar Gold	24,000	2.20	2.29	2.15	2.20
1	.53½	.11	Halcrow Swayze	22,500	.14	.14	.12	.12½
1	.15	.03½	Harker	14,000	.09½	.10	.09½	.09½
1	.02½	.00¾	Hilltop	......	.00¾	.....	.....	.....
5	20.10	11.40	Hollinger	11,455	19.65	19.65	18.55	19.50
1	1.40	.93	Howey Gold	32,050	1.29	1.35	1.25	1.31
No	15.00	9.00	Hudson Bay	887	14.50	14.50	14.10	14.10
1	14.25	10.45	Inter. Mining	......	13.75	.....	.....	.....
1	6.25	4.00	Do., Pur. Warr.	......	5.85	.....	.....	.....
No	29.00	21.15	Int. Nickel	13,629	25.00	25.12	24.37	24.62
1	.48	.28	J. M. Cons. Gold	29,180	.35	.41	.30	.40
1	.03	.00¾	Keora Mines	7,000	.01	.01½	.01½	.01½
1	.36	.23	Kirk Cons.	39,775	.34	.36	.33	.36
1	.73½	.45	Kirk. Hud. Bay	900	.55	.58	.55	.58
1	.05	.00¾	Kirk. Hunton	4,500	.01½	.01½	.01½	.01½
1	.76	.29	Kirkland Lake	145,896	.67	.74	.65	.71
1	.40½	.20	Kirk. Townsite	6,100	.24	.24½	.22	.23
20c	.02½	.01	Koot. Florence	......	.01	.....	.....	.....
1	.23	.02	Lakeland	4,500	.03	.02½	.02½	.02½
No	.18	.07	Lake Maron	19,100	.07½	.08	.07	.07½
1	57.00	42.00	Lake Shore	1,402	53.75	57.00	54.75	56.00
1	.48	.30	Lamaque Contact	65,450	.46½	.48	.46	.47
1	.26	.06	Lebel Oro	130,500	.08½	.09½	.08	.09½
1	.22	.08	Lee Gold	29,100	.12	.11	.09	.10
No	7.75	4.05	Little Long Lac	7,914	6.85	7.00	6.50	6.95
1	3.05	1.85	Macassa	33,465	2.79	2.92	2.75	2.85
1	.08½	.01½	Malrobic	18,000	.03½	.03½	.03½	.03½
No	.17	.06	Mandy	1,500	.10½	.11	.10	.10
No	.40	.21½	Man. & Eastern	30,450	.35	.35	.32	.34
1	1.00	.27	Maple Leaf	18,650	.29	.29	.27	.28
5	50.00	39.25	McIntyre	2,260	44.90	47.30	46.00	47.25
1	1.74	1.01	McKenzie Red L.	25,450	1.50	1.60	1.48	1.50
1	.75	.50	McKinley	......	.65	.....	.....	.....
No	.06¼	.01½	McLeod River	48,700	.03½	.03½	.03	.03½
1	.75	.39	McMillan	29,350	.68	.69	.65	.67
No	.55½	.25	McWatters	48,400	.49½	.51	.48	.48
1	1.21	.39½	McVittie	16,650	.42½	.45	.41½	.42
5	1.50	1.25	Mentor Exp. & Dev.	......	1.25	.....	.....	.....
No	2.47	1.60	Mining Corp.	1,420	1.75	1.75	1.70	1.70
1	.08½	.02½	Moffatt Hall	79,050	.04½	.06	.04½	.06
1	.20	.08½	Monets	......	.14½	.....	.....	.....
1	.04	.01½	Murphy	4,000	.01½	.01½	.01½	.01½
No	.09½	.02	Newbec	3,500	.02½	.03	.02½	.02½
1	.06¼	.03	Night-Hawk Penn.	13,500	.06	.05	.04½	.04½
5	2.85	2.00	Nipissing	3,355	2.54	2.65	2.50	2.50
No	45.05	33.25	Noranda	3,634	42.00	42.50	41.50	41.50
No	.54	.22	Nor. Canada	6,850	.35	.37	.34	.36
1	.27	.07	Osisko	500	.11	.13	.13	.13
1	.72	.34	Parkhill	7,410	.37	.37½	.36	.36
1	.06	.01½	Pawnee Kirk	1,500	.02½	.02½	.02½	.02½
1	.31½	.19	Paymaster	45,010	.26	.26½	.25½	.26½
1	1.40	.55	Pend Oreille	......	.65	.....	.....	.....
1	.06¼	.01½	Peterson Cobalt	210,100	.04	.04	.03	.03
1	1.85	1.26	Pickle Crow	9,210	1.57	1.60	1.51	1.53
1	14.15	10.75	Pioneer Gold B.C.	2,110	12.50	12.75	12.30	12.70
1	.08½	.01½	Porcupine Crown	9,200	.03½	.03½	.03½	.03½
1	.03	.00¾	Potter Doal	......	.01	.....	.....	.....
1	1.75	1.02	Premier Gold	14,450	1.29	1.30	1.25	1.29
1	.06¼	.01½	Preston E. Dome	3,500	.03½	.03½	.03½	.03½
No	.60	.30	Prospectors Air's	100	.50	.49	.49	.49
1	.70	.15	Quebec Gold	37,100	.20	.22	.17½	.18
No	.15	.05	Quemont	......	.08	.....	.....	.....
1	1.73	.27	Read Authier	21,231	1.55	1.55	1.20	1.46
1	1.29	.75	Reno	3,900	.93	.93	.90	.93
1	.02½	.00¾	Ribago	9,500	.01	.00¾	.00¾	.00¾
1	.05¼	.01½	Ritchie	21,000	.02½	.02½	.02	.02
1	.11½	.01½	Robb Montbray	141,600	.05½	.06	.03½	.05
1	6.30	1.75	San Antonio	6,806	5.40	5.50	5.35	5.50
1	1.43	.64	Sherritt Gordon	10,829	.65	.68	.65	.65
1	2.88	1.43	Siscoe	39,215	2.70	2.76	2.66	2.75
1	4.00	3.08	South Amer. Gold	4,100	3.69	4.00	3.75	3.85
1	.07½	.02½	South Keora	5,000	.03½	.03½	.03½	.03½
No	.26½	.09	South Tiblemont	35,700	.11½	.12	.09	.10
No	.46	.08½	Stadacona	30,785	.36	.35½	.34	.34½
1	.65	.31	St. Anthony	10,300	.49	.51	.48	.48
No	2.00	1.00	Sudbury Basin	4,265	1.58	1.60	1.52	1.55
1	.16½	.05	Sudbury Contact	9,300	.11	.11	.10	.10
1	.11½	.00¾	Sudbury Mines	81,300	.06	.07½	.05	.06
1	.63	.44	Sullivan Cons	19,778	.55	.58	.55	.57
1	3.20	1.29	Sylvanite	28,370	2.88	2.95	2.83	2.91
1	8.05	5.75	Teck Hughes	58,670	6.60	6.70	6.30	6.70
1	.59	.20	Thom. Cadillac	30,200	.50	.50	.45	.49
	.02	.01½	Timiskaming	......	.01½	.....	.....	.....
1	.76	.26	Towagmac	2,800	.40	.40	.40	.40
1	.85	.35	Treadwell	......	.40	.....	.....	.....
No	.02½	.01	Vacuum Gas	4,500	.01½	.01½	.01	.01½
No	1.12	.77	Ventures	44,215	1.03	1.05	.99	1.03
1	.03½	.01½	Vickers	500	.02	.02	.02	.02
No	1.53	.90	Waite Amulet	3,939	.90	.95	.90	.95
50c	.50	.06	Wayside	15,400	.07½	.07½	.07½	.07½
No	.43	.18	White Eagle	33,375	.21	.22	.19	.20
1	.07½	.02½	White Lake	800	.02½	.03	.03	.03
1	.18	.05	Wiltsey Coughlan	8,500	.08	.08½	.07	.07½
1	.20	.05	Wood Kirkland	3,500	.12	.12	.11	.11
No	10.25	6.75	Wright-Hargreaves	5,110	9.60	9.75	9.45	9.70
			OIL STOCKS					
No	.33	.17	Acme Gas & Oil	4,000	.20	.20	.19	.19
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	.96	Ajax	1,700	.99½	.99	.96	.96
1	.25	.08	Alta. Pacific	6,000	.10	.10	.10	.10
No	.35	.12	Associated	250	.16	.15	.14	.15
No	.13	.03½	Baltac	4,600	.04½	.04½	.03½	.03½
No	1.60	.60	Calgary & Ed.	300	.80	.80	.75	.80
1	.15	.05	Calmont	2,600	.06¼	.07	.06¼	.06¼
No	.12	.05	Common Pete	500	.05	.05	.05	.05
No	.65	.25	Dalhousie	2,375	.31	.32	.27	.30
No	.30	.10	East Crest	1,950	.10	.10½	.10½	.10½
No	.58	.07	Erie Gas	......	.10	.....	.....	.....
No	.75	.30	Foothills	......	.35	.....	.....	.....
No	.25	.20	High Sarcee	......	.23½	.....	.....	.....
No	1.90	.90	Home	4,850	1.03	1.05	1.00	1.00
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.25	.12	Homestead O. & G.	10,500	.17	.23½	.17	.19
No	.44	.12	Lowery	1,200	.21	.18	.12	.12
No	.42	.19	Merland	......	.22	.....	.....	.....
1	.48	.10	Midwal	......	.10	.....	.....	.....
1	.33	.17	Model	......	.24	.....	.....	.....
5	.17½	.05	Nordon	1,500	.07	.06½	.06½	.06½
No	.09	.03	Oil Selections	4,500	.03½	.04	.03½	.03½
No	.34	.10	Olga Gas & Oil	2,500	.13	.10½	.10	.10
No	1.10	.50	Petrol Oil & Gas	20	.55	.50	.50	.50
No	19.55	13.00	Royalite	740	14.00	14.50	14.00	14.25
1	.13	.06	Sarnia Oil	1,200	.06	.06	.06	.06
No	.17	.07	South West Pete.	......	.15	.....	.....	.....
No	.97	.63	Wainwright West	4,600	.91	.91	.87	.87

Par Val.	Range 1934 High	Low	Company	Sales	Close Aug. 24 (or last)	High for week	Low for week	Close Aug. 31
1	3.70	2.10	Bradian Gold	2,964	2.90	3.05	2.85	2.95
No	16.95	9.85	Bralorne	1,276	14.75	15.00	14.75	15.00
1	.48	.09½	Bridge River Cons.	25,350	.12	.15	.11	.15
50c	1.40	.28	Bridge River Exp.	56,775	.87	1.10	.84	1.05
50c	.27	.19	B. R. Mountain Gold	......	.20	.....	.....	.....
1	1.76	.51½	B. C. Nickel	34,775	.83	.86½	.80	.84
1	1.25	.90	B. C. Silver	300	1.10	1.00	.95	.95
50c	.29	.08	Butte I.X.L.	......	.09	.....	.....	.....
50c	.24	.15	Canadian Rand	......	.15	.....	.....	.....
1	2.90	1.00	Cariboo Gold	4,525	1.60	1.75	1.60	1.63
No	12.60	8.75	Coast Breweries	1,069	9.50	9.75	9.25	9.25
1	.50	.18	Congress Gold	28,150	.45	.46	.44	.45
25c	.02	.00¾	Cork Province	1,500	.00¾	.00¾	.00¾	.00¾
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	7,500	.02½	.02	.01½	.02
No	2.07	.25	Dentonia	23,410	.52	.58½	.50	.56
	.07½	.06¼	Dictator	19,500	......	.07½	.06½	.07½
1	.45	.14	Dunwell	9,540	.22	.24	.18	.23
No	.44½	.12	Fairview Amal.	8,800	.17	.17½	.16	.16
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.25	George Copper	......	.25	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.01½	.....	.....	.....
1	.06¼	.01	Georgia River	......	.01½	.....	.....	.....
50c	.08	.01	Glacier Creek	3,000	.03	.04	.03	.04
1	.63	.33	Golconda	1,600	.36	.35	.34	.34
5c	.20	.13	Golconda Ex.	......	.13	.....	.....	.....
50c	.63½	.27	Gold Belt	3,550	.37	.38	.35	.38
50c	.51	.30	Gold Mountain	3,350	.43	.42	.40	.42
50c	.06	.02	Grandview	4,000	.02	.02	.02	.02
No	.38	.16	Grange Mines	34,812	.24	.26	.20	.25
1	.50	.07	Grull Wihksne	10,250	.08	.10	.07	.09½
No	.16	.04	Haida Gold	3,000	.08	.08	.08	.08
25c	5.80	5.25	Hecla	......	5.25	.....	.....	.....
50c	.33	.18	Hedley Amal.	6,900	.32	.32½	.31	.32
No	.29	.10	Hedley Sterling	......	.10	.....	.....	.....
[illegible]	[illegible]	[illegible]	Hercules Cons.	64,650	.05½	.05½	.04	.04
[illegible]	[illegible]	[illegible]	Home Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Independence	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Indian Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Inter'l Coal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Jack Waite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Kootenay Belle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Kootenay King	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25c	.01½	.00¾	L. & L. Cons.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	.01½	.00¾	Lakeview	104,000	.01	.01½	.01	.01
10c	.06	.02½	Lucky Jim	......	.03	.....	.....	.....
No	.40	.11	Mak Siccar	......	.26	.....	.....	.....
50c	.01½	.00¾	Marmot Metals	......	.00¾	.....	.....	.....
10c	.33	.08½	Meridian Min.	47,100	.09½	.12½	.08½	.12
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	265,400	.19½	.26½	.19½	.25½
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.13	Morning Star	16,000	.18½	.18½	.17	.18½
1	.05½	.00¾	Morton Woolsey	......	.01	.....	.....	.....
50c	.09	.03	National Silver	7,000	.03½	.03½	.03½	.03½
50c	1.36	.20	Nicola	30,100	.27	.31	.27	.30
50c	.17	.06¼	Noble Five	18,950	.07½	.07½	.07	.07
No	.24½	.10	Norgold	31,100	.21½	.23½	.21	.23
1	.54	.12½	Pavilion	12,100	.48	.49	.47	.47
1	14.25	11.00	Pioneer Gold	825	12.85	12.60	12.40	12.50
50c	.18	.06¼	Porter Idaho	8,200	.09	.09½	.08	.09½
No	.02½	.00¾	Premier Border	......	.00¾	.....	.....	.....
1	.06	.03	Quatsino Copper	1,000	.04	.03	.03	.03
50c	.19	.06	Red Hawk	......	.06	.....	.....	.....
No	.27	.09	Reeves McDonald	......	.13	.....	.....	.....
1	1.25	.75	Reno Gold	8,225	.95½	.97	.90	.96
1	.15	.04	Reward Mining	6,400	.05½	.07½	.06	.06
No	.27	.09	Richfield Cariboo	......	.09	.....	.....	.....
1	.03½	.01	Rufus Argenta	2,000	.01½	.01½	.01½	.01½
1	.05	.02	Ruth Hope	......	.02	.....	.....	.....
1	.55	.25	Sally Mines	1,850	.35	.34	.32	.32
50c	.35	.10	Salmon Gold	10,200	.14½	.16	.14	.15½
1	.09	.04	Silverado	......	.04	.....	.....	.....
25c	.04½	.02	Silvercrest	4,000	.02½	.02½	.02	.02½
20c	.17	.04	Silversmith	3,500	.10	.10	.10	.10
50c	.03½	.01	Snowflake	......	.01	.....	.....	.....
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.46	.13	Standard Gold	......	.13	.....	.....	.....
10	8.25	4.75	Sunshine	175	7.50	8.25	8.00	8.20
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.32	Taylor Bridge	79,500	.38	.41	.32	.41
1	.65	.35	Taylor Windfall	10,850	.44	.45	.42	.43
25c	.05	.04	Thurlow Gold	......	.04	.....	.....	.....
5	.25	.20	Toric	......	.20	.....	.....	.....
50c	.28	.04½	United Empire	10,000	.23	.23	.17½	.20
No	3.50	1.40	Vidette Gold	2,275	1.85	1.85	1.70	1.75
No	.21½	.05	Viking Gold	3,000	.05	.07½	.05½	.07½
No	.27½	.08	Waterloo Gold	20,900	.10½	.11	.10½	.10½
25c	.03	.01	Waverly Tangler	36,500	.01½	.01½	.01	.01½
50c	.47	.06½	Wayside	10,500	.08	.08½	.07½	.07½
20c	.03½	.01½	Wellington	5,000	.01½	.01½	.01½	.01½
No	.44	.20½	White Eagle	2,700	.23	.21	.20½	.21
1	.10½	.04	Whitewater	800	.05½	.05	.05	.05
			OIL STOCKS					
1	.15½	.06	Amalgamated	100	.09	.10	.10	.10
1	.08	.03	Anaconda	5,600	.03½	.04½	.03½	.04
1	.10	.07	Brit. Dominion	......	.09	.....	.....	.....
1	.11½	.03½	Crow's Nest	10,000	.07	.07½	.07	.07
No	.09½	.03	Devenish	300	.04	.04	.04	.04
No	.01½	.00¾	Fabyan Pete	12,000	.00¾	.00¾	.00¾	.00¾
No	.16½	.06	Freehold	5,500	.08	.08	.07½	.08
No	.13	.04	Hargal	......	.04½	.....	.....	.....
No	.35	.14	High Sarcee	3,200	.19	.19	.18	.18
No	.05	.00¾	Madison	......	.00¾	.....	.....	.....
No	.35	.05	Marjon Oil	35,300	.09	.14	.08½	.12
No	.05½	.02½	McD. Segur Ex.	950	.03	.03	.02½	.03
1	.47	.25	McLeod	1,375	.38	.35	.30	.31
No	.22	.12	Mercury	1,650	.13½	.13½	.13	.13
No	.22	.10	Mill City Pete.	100	.10	.10	.10	.10
No	.18	.05	Okalta	......	.05½	.....	.....	.....
100	30.00	18.00	Do. pref.	......	30.00	.....	.....	.....
No	.17	.05	Pacalta Oil	2,000	.05	.06	.05	.06
1	.75	.14	Ranchmen's	......	.70	.....	.....	.....
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	370	.25	.29	.25	.29
No	.11½	.04½	United	500	.05	.04½	.04½	.04½
No	.50	.11	Vanalta	3,600	.12½	.12	.11½	.12
1	.20	.10	Vulcan	......	.10	.....	.....	.....
1	.35	.07½	Wellington Oil	1,300	.....	.08	.07½	.07½

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas†	2c.	.....	McIntyre	$2	4.23
Ajax Oil	8c.	8.33	Mercury Oils‡	4c.	.....
Bralorne	60c.	4	Merland Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew.	92c.	9.94	Nipissing	12½c.	.....
Coniagas‡	12½c.	.....	Noranda‡	$1	.....
Cons. Smelters	1.00	.....	Petrol Oil‡*	1c.	.....
Dome Mines	$2+$1.50	8.00	Premier	12c.	9.30
Falconbridge	5c.	.....	Pioneer, B.C.	80c.	6.29
Goldfield Cons.‡*	5c.	.....	Royalite	50c.	3.50
Hollinger	65c.+50c.	5.90	San Antonio†	5c.	.....
Howe Sound	$3	.....	Siscoe	12+5c.	6.20
Howey Gold	6c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke‡	1c.	.....	Sylvanite	20+5c.	8.62
Int. Nickel c.	15c.	.....	Teck Hughes	60c.	9.23
Lake Shore	$2+$1	5.35	Toburn	8c.	.....
			Wright-Har	40+15c.	5.66

‡Interim. †Initial. *Paid in 1933.

VANCOUVER STOCK EXCHANGE
(Transaction for Week to August 31.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Aug. 24 (or last)	High for week	Low for week	Close Aug. 31
1	.09½	.02	Alexandria	10,250	.02	.02½	.02	.02
25c	.03½	.01	Bayview	6,000	.03	.02½	.02½	.02½
20c	.08½	.03	Beaver Silver	3,500	.06½	.06	.05	.05½
25c	.03½	.01	Bluebird	......	.01	.....	.....	.....

Unlisted Mining Stocks

September 4, 1934

	Bid	Asked		Bid	Asked
Adanac	.30	.33	La Roche	.11	.13
Afton	.25	.32	Lafayette L. Lac	.18	.20
Ardeen	..	.32	Long Lac Lagoon	.40	.45
Arntfield Gold	.85	.90	Lamaque Gold	1.85	2.00
Arntfield Synd.	.82	.89	Lamaq. Cont. U.	135.00	150.00
Bailor Gold	.19	.22	Long Lac Synd.	1.75	2.00
Bankfield Gold	1.12	1.16	McFarlane L. Lac	.39	.42
Bathurst	.03	.04	MacL. Cockshutt	.94	.97
B. C. Nickel	.80	.85	Magnet Lake	.25	.27
Beattie	2.00	2.10	Marbuan	.67	.70
Bidgood	.02½	.03½	Matachewan Can.	.16	.19
Big Long Lac	.16	.19	Metals Devel.	.08	.10
Brennan Kenty	.43	.45	Middle Bay	.24	.28
Bur-Ley Long Lac	.17	.20	Mine finders	2.00	3.50
Burroughes Long Lac	24.00	28.00	Montague Gold	3.50	4.00
Can Pandora	.07	.10	Murwood	.38	.40
Can. Radium	.09	.11	Mosher Gold	.32	.35
Canusa Mining	.07	.09	Muton Long Lac	.30	.32
Casey Contact	.39	.42	McCarthy Webb	.07	.09
Casey Summit	.65	.70	Moss Mines	.04	.06
Cent. Porc.	.48	.51	Normont	.07	.10
Cochenour Wil.	135.00	165.00	North Shores	.15	.19
Columario (old)	.16	.20	Pascalis Gold	.09	.12
Continental Kirk.	.08	.10	Payore Mines	.25	.30
Crown Reserve	.03	.05½	Pontiac Rouyn	.54	.58
Cuniptau	.42	.52	Powell Rouyn	1.00	1.10
Dennison Cop.	.02	.04	Queen Lebel	.21	.27
Dunlop Cons.	.06	.07	Rice Lake	.34	.38
El Bonanza	.18	.21	Rouyn Reward	.41	.45
Forty-Four Gold	12.00	13.00	Roche Long Lac	.25	.27½
Four Nation's	.13	.16	Sakoose	.95	.98
Frontier Red Lake	.26	.28	Sigma	3.00	3.30
Glenora Gold	.35	.40	Smelter Gold	.23½	.25½
Gold Eagle	.56	.59	Tashota Goldfield	.59	.65
Golden Long Lac Unit	32.00	36.00	Tiblemont Island	1.15	1.30
Goldside Stk.	.15	.20	Toburn	1.63	1.68
Gr. Bear Lake M.	.18	.24	Tyche, L. L.	.18	.20
Gabrielle	.70	.75	Vanguard Long Lac	.22	.25
Hardrock	.95	.99	Vermillion L. Sh.	24.00	28.00
Hardrock Un.	90.00	95.00	Wendigo	.78	.86
Horseshoe	.05	.06	Witch Bay Gold	5.25	6.00
Herbin Lake Un.	20.00	22.00	Wells L. Lac	.26	.30
Island Lake	.08	.10	West-Side L. Lac	.20	.23
Jomac	35.00	39.00	Wingold	.48	.52
Keyroc Gold	.17	.18	Young David	.34	.36
Kow Kash	.09	.12	Ymir Yankee Gold	.48	.51
Kirk. Gold Belt	.29	.31			

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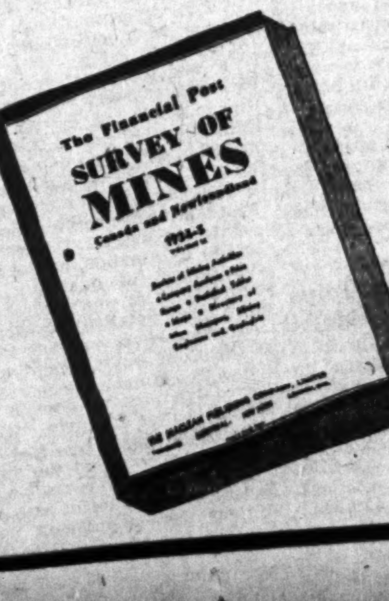

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Place Cariboo Output at $700,000 Annually

In a story on July production at Cariboo Gold Quartz Mining Co. appearing in last week's issue of The Financial Post, the estimated production of $175,000 was forecast for the "year." This, as was apparent from the context of the story, should have read for the "quarter." This would bring the estimated annual production of this company to $700,000, an amount more in keeping with the peak July production of $60,000.

A New Deal For Gold

Coming events cast their shadows before them—

$35 Gold may be $38 or more soon and multiply the earnings of gold mining companies.

Current outlook of the gold mining industry and four low priced stocks discussed in the current issue of

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Early Base Metal Figures Forecast All Time High Despite Prevailing Prices

Canadian Production for 1934 Will be Highest on Record

FINE ACHIEVEMENT

High Price of Gold Motivating Force—Dominion May Take Third Place as Lead Producer

Base metal production of Canada in 1934 will reach the highest level on record.

Canada has for some time ranked among the leading world producers of base metals and in the current year her position will be considerably strengthened. While production figures for the first half of 1934 have yet to be published by the Dominion Bureau of Statistics, output figures for the first five months indicate that the production of Canadian base metal mines will be higher than ever before in history. Copper, lead, zinc and nickel are all being mined on a larger scale than ever before.

This remarkable achievement at a time when the price of base metals, with the exception of nickel, remains at low levels is due for the most part to the higher price of gold. Just as it has been the motivating force behind the improvement of business in general it has been stimulating the production of copper, lead and zinc. Canadian producers of these metals are especially blessed with ancillary metals, notably gold, and as result have been able to operate at a profit in spite of low prices. Increased revenue from the production of gold has enabled them to sell their product at a low price and to meet world competition.

The depression has lifted for most of the base metal producers in Canada. Early in 1933 the decline in output which had been experienced since 1930 was stopped and since then production has been on the increase. All of the large producers are now operating at high rates of production. Profits are not on the 1929 and 1930 level but prospects are bright and should the price of base metals rise Canadian producers stand to make large gains.

Present Position of Copper

As a producer of copper Canada ranks fourth among producing countries and her output is rapidly rising. In 1933 this country produced 149,968 tons of copper and in 1934 the output of copper from Canadian mines will be approximately 180,000 tons, an all time record, the previous high figure being 151,000 tons mined in 1930. During the first five months of the present year copper produced in Canada amounted to 74,641 tons, according to figures issued by the Dominion Bureau of Statistics. If this rate by production continues until the end of the year the 1934 output will total 179,136 tons.

Canadian producers of copper have been able to achieve a higher rate of production in the face of low prices because their mines are favored with other metal content, such as nickel, platinum, gold and silver. The copper content of our mines is not as high as that of many producers in other countries but because of the ancillary metals contained in the ore the differential in grade is more than eliminated.

Inco and Noranda

It should also be pointed out that copper production in Canada is to a large extent an auxiliary function. The largest producer of the metal in the country is the International Nickel Co. which is primarily interested in the production of nickel. Noranda Mines, which ranks second among Canadian producers, works a copper-gold deposit which has a rich content of the latter. The company is the third largest gold producer in Canada and its over-all costs expressed in terms of copper are about two cents minus per pound. The rapid growth of the peace-time demand for nickel is the explanation of the increase in copper production by the International Nickel Co. while the stimulation of Noranda's activity is found to a great degree in the price of gold.

Canadian copper producers are in a position to meet low-cost competition, and have been meeting it. As has already been pointed out cost of production is low as result of the other-metal content of the ore. Producers in Canada can make profits with the price at the present level, about nine cents per pound. Hudson Bay Mining & Smelting, whose key mineral is copper, made fair profits last year with copper at an average price of 7.30 cents per pound.

Copper is not likely to again reach to the 1929 high figure of 24 cents per pound. Every increase in price brings other mines into production and it is doubtful whether any substantial rise could be maintained for any length of time.

Germany Big Factor

The prospects of copper in the future are a matter of conjecture. There is available a vast actual, or potential supply. Known ore reserves are the highest on record even though many of the operating companies have in the past few years desisted from proving up ore. Supply of the metal greatly exceeds demand.

For the first five months of 1934 world consumption was at the rate of 1,400,000 tons annually, and rapidly increasing. A considerable distance, however, has yet to be traversed before consumption reaches its record high level of 1929 when 2,009,383 tons were used. Early in the year deliveries of copper outside of America established an all-time record. This was largely due to heavy buying by Germany. Recent purchases by this country have been in meagre quantities.

May Get Third Place in Lead

Canada may possibly secure third position in the production of lead in 1934. At the present time she enjoys fourth position, the output of United States, Australia and Mexico exceeding that of Canada in 1933. Mexican output last year was 139,738 tons or just a little over 7,000 tons in advance of Canada. During the first five months of the current year Canadian production amounted to 64,533 tons, equivalent to 155,076 tons annually. This represents an advance of 19 per cent over the same period of 1933.

While production of zinc in Canada has been increasing the world price has been slipping downward. Current valuation in the London market, where most of the Canadian output is sold, is approximately 2,394 cents a pound. While not a record low this is far from a satisfactory figure.

Production of the metal in the United States has also been rising and the same applies for Australia and Mexico. In the month of May the world output of refined lead rose to 132,305 tons as against the April figure of 113,027 tons. Since that time production has fallen off slightly, amounting to 123,196 tons in July. The June production was 122,172 tons. In the United States there are considerable stocks on hand and these threaten both the domestic and foreign market. At the end of May stocks in the United States amounted to 233,342 tons. European holdings are not impressive.

The higher price of silver has stimulated production in Canada somewhat, but more especially in the United States where newly-mined domestic silver can be sold to the United States government for 64 cents an ounce. Silver and lead are very often associated in ore deposits.

Canadian producers are able to make slim profits at present valuation because it is an auxiliary metal in Canadian ores. The zinc, silver and gold content of the ore makes economic production possible. Consolidated Mining and Smelting Co. is the largest producer, Base Metals Corporation ranks second.

Production of Zinc Increases

Production of zinc in Canada in the month of May reached the highest level on record, totalling 26,132,534 pounds according to figures published by the Dominion Bureau of Statistics. In the first five months of the year output almost doubled in comparison with same period of 1933, amounting to 115,837,355 pounds in 1934 as against 67,690,746 pounds in 1933. The highest output on record, that of 1930, was 118,564 tons. It is probable that this will be exceeded in the current year production for which is estimated at 138,000 tons.

Zinc Stocks Vanish

Coincident with the rise in Canadian zinc production has come an improvement in the world situation. The enormous stocks with which the industry found itself burdened at the end of 1931 have disappeared. By the end of 1933 consumption had outstripped production and carry-over stocks had decreased to 230,000 tons. Since the commencement of the current year there has been a further improvement.

While stocks on hand have materially decreased the world price level remains low. The current market price in the London market is approximately 3.062 cents per pound. This is considerable improvement over the record low price of 1.91 cents in 1931. The price, however, will have to rise still higher if operations are to be on a really satisfactory basis. Immediate prospects for a rise are somewhat uncertain.

Nickel Output High

Commencing with the second quarter of 1933 the nickel industry staged a remarkable comeback. The world demand for the metal has increased largely through the efforts of the research and marketing organization of the world's largest producer, the International Nickel Co. Production rose rapidly in the last nine months of 1933 and during the current year the rate of production has been even higher than in 1929. During the first five months of the year output amounted to 49,932,038 pounds in comparison with 14,666,635 pounds in the same period of 1933, an increase of 240 per cent. Production in 1929 amounted to 55,138 tons. Based on the amount produced in the first five months the 1934 production is estimated at 60,000 tons should a decline in the rate of output not be recorded in the latter part of the year. The increased production of nickel has resulted in a larger production of copper, gold, platinum and other ancillary metals by the two principal producers, the International Nickel Co. and the Falconbridge Nickel Co.

Nickel is one metal whose price has remained stable throughout the depression years. With production of the metal largely concentrated in the hands of the International Nickel Co. this company has been able to exercise a degree of control not possible in the case of other metals. As result there has been no violent fluctuation in the value of metal as has been the case with copper, lead and zinc. During the past eight years the spot price for the metal in the United States has been 35 cents per pound.

Seek to Add Diamonds To B. C.'s Minerals

British Columbia, already rich in a wide variety of minerals, also contains diamonds in an economically profitable way, according to the belief of two British Columbians who, for the first time in the history of the province, will actively prospect for the precious stones.

The men are Thomas W. Hindmarsh and George Ogsden, of Vanderhoof, B.C., who were recently granted by the provincial cabinet two leases covering ten-acre pieces on the north side of the Nechako River, near Vanderhoof. The licenses were issued under the Placer Mining Act and cover precious stones generally.

Miller Resigns, Rook Joins Four Nations Consolidated

At a special meeting of the board of directors of the Four Nations Consolidated Gold Mines, H. Don Miller, vice-president and managing director of the company, submitted his resignation which was accepted, and the vacancy on the board was filled by the appointment of W. G. Rook, general manager of the Canadian H. W. Gossard Co.

NET LOSS GROWS FOR CENTRAL MAN. AS OUTPUT DOWN

Production Value at Lowest Level Since Operations Started.

Operations of Central Manitoba Mines during the year ended April 30, 1934, as outlined in the company's annual report resulted in a net loss of $65,763 as against a loss of $24,449 in the previous year and a profit of $8,108 in 1932. Despite the fact that the price of gold was considerably higher than in previous years and milling costs were lower, the value of production was at the lowest level since production was commenced in 1928, amounting to $393,876 as compared with $402,747 in the 1933 fiscal year. In 1929 bullion revenue amounted to $505,640.

Accompanying the annual report, however, is a supplementary statement covering operations for the succeeding two months, that is to June 30, which indicates that current operations are on a slightly improved basis, a small profit being earned before depreciation. Bullion revenue for the two months amounted to $59,284. From this is deducted expenses totalling $55,190, leaving an operating profit of $4,094. Non-operating revenue amounted to $2,869 bringing net profit before depreciation to $6,963. In the month of July a net profit of about $26,000 was shown, production amounting to approximately $52,000.

The following tabulation gives comparative income and surplus account figures for the past two fiscal years:

Income and Surplus Account
Years Ended April 30

	1934 $	1933 $
Bullion revenue	393,876	402,747
Less operating exps.:		
Development	291,370	300,821
Milling	107,896	127,960
Royalty	58	6,823
Bullion exps.	3,733	4,891
Fire loss	......	78
Insurance	6,688	6,107
Island Lake inspection	800	......
Adminis. & gen. exps.	31,322	24,787
Operating loss	47,991	68,720
Non-operating revenue:		
Interest & exchange	4,348	7,048
Exchange compensation	14	63,341
Profit on sale of bonds	......	2,206
Sundry revenue	20,030	12,949
Less: Depreciation reserve	42,164	41,273
Net loss	65,763	24,449
Add: Previous deficit	372,468	348,019
Deficit to balance sheet	431,268	372,468

The company's liquid position as at April 30, 1934, was less favorable than at the end of the previous fiscal year the balance sheet shows, working capital amounting to $104,273 as compared with $150,512 in 1933. Current assets declined from $231,136 to $145,288 and current liabilities from $80,624 to $41,015. Some improvement is shown in working capital position as at June 30, current assets as at that date being shown at $141,072 and current liabilities at $33,061, leaving a working capital of $108,011. Current assets as at June 30 consisted of $63,443 cash, bullion on hand valued at $36,868, accounts receivable of $185 and materials and supplies valued at $40,576.

Comparative working capital figures are given below.

Working Capital

	June 30 1934 $	April 30 1934 $	April 30 1934 $
Current assets	141,072	145,288	231,136
Current liabilities	33,061	41,015	80,624
Working capital	108,011	104,273	150,512

The auditor's certificate accompanying the annual statement and also the balance sheet as at June 30 states that no adjustment has been made in respect of the settlement made in the dispute between the company and the W.A.D. Syndicate in regard to the company's investment in the Manitoba Gold Mines. By an agreement made recently the company is to accept $20,000 plus $3,500 on account of legal expenses in settlement of its claim against the syndicate; $4,000 was to have been paid by August 15, 1934, and the remaining $18,500 by Oct. 15, 1934. The auditors also point out that no provision has been made for depletion of minerals and that no portion of the preliminary development and organization expenditure has been written off since April 30, 1928.

Not only did the company treat lower grade ore throughout the year but the amount of ore milled declined from 49,458 tons to 47,591 tons. Recovery from ore milled amounted to 12,145.89 ozs. of gold and 2,750 ozs. of silver, having a total value of $394,073. Recovery of gold per ton was 0.2552 ozs. Average milling costs for the year were $2.27 per ton, a lowering of 31 cents per ton compared to the previous year.

Ore Reserves Down

Although active development work was carried on throughout the year, ore reserves show a decline of approximately 5,000 tons, being estimated by J. C. Houston, mine superintendent, at 17,697 tons containing 0.28 ozs. gold per ton. Of this amount 4,585 tons containing 0.24 ozs. gold per ton are not readily available. As at April 30, 1933 ore reserves were estimated at 23,737 tons. During the months of May and June 7,046 tons of ore were broken underground in stopes and the amount delivered at the mine bin was 7,894 tons. Ore reserves at the end of June were estimated at 17,836 tons containing 0.324 ozs. gold per ton.

A total of $106,067 was spent on development including diamond drilling during the year, equivalent to $1.97 per ton of ore hoisted to the mine bin. Development work consisted of 2,419 ft. of drifting, 1,693 ft. of crosscutting, 1,084 ft. of raising, 96 ft. of sinking and 15 ft. of station cutting.

A total of 12,263 ft. of diamond drilling was done during the year by drills owned by the company, Mine Superintendent J. C. Houston reports. Of this total considerable amount was done on deep drilling during the winter months, both on new holes and continuation of holes previously drilled. Interesting geological information, and at least one intersection of quartz with commercial values was disclosed by the deep diamond drilling, Mr. Houston states in his report to the board of directors, but sufficient work has not yet been done nor has this been traced laterally far enough to consider it a new ore body.

Find Small Ore Body

Results of work at the Tene No. 6 shaft and the Hope shaft were not favorable, and as result both of these sections were abandoned.

In the two months following the close of the fiscal year a total of 3,261 ft. of diamond drilling was done. Drifting was continued for the period and a total of 3,261 ft. was completed in the Kitchener section on the 250-ft. and 375-ft. levels.

During the two-month period a small ore section with a length of 91 ft., and an average width of 4.02 ft. assaying 0.355 ozs. per ton, was exposed by the continuation of the Growler 250-ft. level west drift, Mr. Houston states in his supplementary report. Aside from this ore-shoot, the quartz exposed in drifting has not been ore. The continuation of both this drift and those on lower levels, however, is considered by Mr. Houston to be warranted. Stoping on the 375-ft. level west of the Growler shaft has, on the other hand, exceeded all expectations, and the grade of ore is above the average mine run.

Can. Enterprises Seek to Control Graham Bousquet

From Our Own Correspondent

AMOS, QUE. — Canadian Enterprises, Ltd., who control Thompson Cadillac, are negotiating with Graham Bousquet interests for control of the company. They plan to reorganize Graham on a basis of one new for two of the old. Upon consummation of the deal the new management control will erect an aerial tramway from the Graham Bousquet shaft to the Thompson mill which will handle their ore.

SMELTERS BUSY ON ALTA. BORDER REPORT NEW FIND

Crew Stripping Property on Northwest Shore of Lake Athabasca

From Our Own Correspondent

REGINA — Consolidated Mining and Smelting Co. mining engineers are now at work with a crew stripping and trenching a new gold discovery partly in Saskatchewan and partly in Alberta. Claims have been staked for various mining companies in Alberta and also Saskatchewan. More than 80 claims have been filed with the Saskatchewan department of natural resources.

This discovery, the first believed to have been reported in the northwest section of Saskatchewan, is on the northwest shore of Lake Athabasca, 140 miles east of Fort Chipewyan on the lake. A C.M. and S. crew flew to the location from Trail, B.C.

Gerry Murphy, reporting at Fort Chipewyan says the body of ore assays at about $1.50 a ton, is of a large extent and runs down to the lake. Transportation costs would be cut to a minimum as the ore can be shipped by water. It can be freighted to the steel at Waterways for approximately one cent a pound. The gold is being found in sulphite form of arsenite pyrite. No samples have yet been received for assay either in Alberta or Saskatchewan.

Busy Elsewhere

Consolidated Smelters are also reported to be contemplating large scale development in the Amisk Lake region, not far from Flin Flon, on the Saskatchewan side. A geological survey party is now looking over the district.

Diamond drilling operations have begun on the Beda-Tikkanen property at Douglas Lake on Beaver Lake road, three and a half miles southwest of Flin Flon. These claims are owned by the Flin Flon Gold Mining syndicate, and are just north of the Henning-Maloney mine property.

A party of eastern men visited the Henning-Maloney property late in August. Those in the party were Arthur G. Slaght, K.C., Toronto, president of the Henning-Maloney and also director of Lake Shore Mines; I. W. C. Solloway, Montreal and Harry M. Porteous, president of the Kirkland Hudson Bay Mines, of Montreal.

On the Saskatchewan side of Flin Flon drilling has commenced on the group of claims four and a half miles northwest of Flin Flon at Raft Lake. Trenching and stripping have already shown an ore body more than 120 ft. wide and high in copper and gold. Channel samples showed values to $16 per ton. Men behind this venture are Alex McDonald, G. H. Morton, O. O. Klutz, O. Wick, E. Belanger and W. B. Scarth of Flin Flon.

Pilot Gold Mines Defines Four Veins in Bridge River

Pilot Gold Mines which was formed in April of this year to develop a group of 19 claims on the shore of Gun Lake in the Bridge River area of British Columbia believes in keeping its shareholders informed as to developments at the mine property. The shareholders, this week, were in receipt of the second progress report issued since the inception of the company. The report outlined in detail work done at the property to date.

Results to date from over 1,600 ft. of drifting and crosscutting have been encouraging, according to the report. Four well-defined veins have been exposed, and of these, three have been drifted on far enough to substantiate their continuity and strength. They range in width from four inches to over four ft.

Drifting on the veins is being continued. No. 1 vein has been drifted on for a distance of 535 ft., No. 2 vein for 110 ft., and No. 4 vein for 150 ft. It was not deemed desirable to drift on No. 3 vein due to its close proximity to No. 2 and No. 4. The main crosscut has been advanced 480 ft.

Not only has the company installed a completely equipped mining plant but it also generates its own hydro-electric energy. A small power plant, generating 150 h.p. has been constructed on the property at the cost of $2,500.

Pilot Gold Mines has an authorized capitalization of 3,000,000 shares of no par value of which 2,000,000 shares were outstanding on May 1 last. The company is headed by Fletcher Sparling, of Vancouver. A. B. Wing, Vancouver, is vice-president and the other directors are as follows: John Hallberg, secretary-treasurer; Osmond Ferguson, O. C. Thompson and Harry J. Cain, managing director.

McMILLAN MILL SAFELY USHERED INTO PRODUCTION

Progress Above and Below Reported from New Producer

From Our Own Correspondent

SUDBURY.—Dr. J. H. Banks, of New York, president of the McMillan Gold Mines, in the West River area, spent several days at the property last week during the initial operation of the new 125-ton mill, and reports that the McMillan entered the era of gold production with pronounced success. Dr. Banks is enthusiastic over the performance of the new plant, which has gradually been worked up by easy stages to treatment of 100 tons daily and will in the course of a few days be at full capacity of 125 tons.

One day this week it will be necessary for the Abitibi company to effect repairs at its power plant at Espanola, the source of McMillan's power, and probably for 24 hours the mine will be obliged to provide its own auxiliary power in order to keep the mill circuit in operation.

Working Underground

Underground work is now steadily progressing. Mill feed is being taken from the stopes at the 325 and 625-ft. levels, with six drills running. Later it is planned to open stopes at the two other levels, the 425 and 525. If occasion requires, until ore is available from these workings, it is planned to feed probably one third of the mill tonnage from the dump. A raise will shortly be started from the 325-ft. level to surface.

Refinery and assay buildings are now completed, according to word from the mine. Completion of the latter facility will enable preparation of weekly reports on millheads. Definite plans have been made for a new staff house, change house and a warehouse. No steps will be taken at present in connection with the proposed steel headframe over the shaft, but it is asserted the development programme will include this improvement in the not distant future.

Plans are now virtually complete for the housing of some of the McMillan employees at Espanola, eight miles distant, where a large number of vacant houses are available due to suspension of operations at the Abitibi paper mill. Transportation to and from the mine will be made by bus.

Mr. Shoemaker, of Shoemaker & Burnham, Toronto, designers and constructors of the mill, is now at the mine and is expected to remain until the first gold brick is poured some time this month.

RENO MINES ADDS $1,265,000 VALUE TO POTENTIAL ORE

New Shoot Developed by Winze from Fifth to Sixth Level

From Our Own Correspondent

VICTORIA.—Underground development at Reno Gold Mines in the Sheep Creek area are rapidly proving this mine to be one of the most important gold producers in the province. With sinking operations now down 250 feet below the fifth level, the ore shoot developed by the winze from the fifth to the sixth level has placed a further $1,265,000 worth of ore in readiness for extraction.

This shoot is 400 ft. in length and averages three and a half ft. wide with average values of 1.63 oz. gold or $55 per ton. It apparently still extends to the west, while in the east, after cutting through a fault, it was picked up again, having widened to more than the width of the drift with values maintained.

Monthly Profit

In spite of the present shortage of power due to the dry spell, the mill is continuing to treat about 100 tons of ore per day with recovery from Wilfley tables, cyanidation, amalgam tables and concentration still efficient. In addition to the direct methods of gold extraction, Reno makes an average of one ton of concentrates per day. During the past three months the operation has shown a substantial profit each month.

Between 100 and 125 men are being employed in the mine and mill, and it is probable that when power is turned on late in September from the new West Kootenay Power Co. line, the mill output will be stepped up to well over the present rate.

TO MAKE NEW TRY FOR MANITOULIN OIL

Drillers Move Outfit to Duck Islands on South Coast

From Our Own Correspondent

SUDBURY.—For some years the existence of oil on Manitoulin Island has been a matter of common knowledge, but it has never been possible, in any exploration operations to date, to disclose the oil in commercial quantities.

New attempts are now being made, however, to develop the district, and A. E. Randall & Sons, oil drillers of Petrolia, have launched a campaign and moved a complete drilling outfit to Duck Islands, where operations are to start as soon as the equipment is erected.

The drill was previously in the Ten Mile Point area, where it has been idle for over two years since work was stopped there. Numerous other efforts have been made to find oil in paying quantities on the island, but have been unsuccessful. No definite information on the Duck Island location is available but it is believed better results are expected than on the previous sites.

Duck Islands are located to the south of the western part of Manitoulin Island. Ten Mile Point is on Manitowaning Bay, near the eastern end of the Island.

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Wr. Hargreaves Dividends Double in Course of Year

Dividends of Wright-Hargreaves Mines in the current calendar year are just double the amount paid in 1933.

With the declaration of another bonus of five cents per share payable with the regular quarterly dividend of 10 cents per share on October 1 to shareholders of record September 10, the total disbursement for the year reaches the high figure of $3,025,000, equivalent to 55 cents per share on the company's outstanding capitalization of 5,500,000 shares. In 1933 shareholders received 27½ cents per share. The current payment is payable in Canadian funds. Previous payments with the exception of the January 2, 1934, disbursement have been made in United States funds.

Dividend payments by Wright-Hargreaves in the past few years have exceeded the expectations of its most optimistic shareholders. The story of the comeback staged by this Kirkland Lake producer is one of the most remarkable in the history of Canadian mining. When in 1929, owing to diminishing ore reserves and difficulty in keeping the mill supplied with ore, the company curtailed production and suspended dividend payments while an aggressive development programme was put into effect, many lost confidence in the property. In some quarters it was felt that the company's life as a large producer was drawing to a close. The company's development programme yielded excellent results and large quantities of ore were developed. Since that time the company has been continually expanding, so that operations in the current year have been on a larger scale than ever before in the company's history.

Profits to Show Increase?

Profits for the company's fiscal year which closed on August 31 will show a substantial increase over previous years. Not only has the company benefitted from the higher price of gold but also from an increased milling capacity. Late in 1933 the capacity of the company's mill was stepped up from 800 tons daily to 1,000 tons daily and milling operations have been at the latter rate since. Production for the fiscal period, with gold taken at $20.67 an ounce, will exceed $4,500,000, it is expected.

During the first six months of 1934 the value of the company's production, exclusive of exchange compensation, amounted to $2,356,187, according to figures issued by the Ontario Department of Mines this week. In the first six months of 1933 the value of production was $1,778,406.

Hear Sturgeon Claims Sold by Brennan & Kenty Co.

From Our Own Correspondent

SUDBURY.—Reports in Sudbury at the week-end from authoritative sources are to the effect that private interests have taken over the main group of claims from the Brennan and Kenty Brothers Prospecting Co. in the Sturgeon River gold area, 12 miles north of Beardmore. The deal is said to involve a sum up in the six figures. A number of veins have been located on the property from which high assays were obtained and samples brought out are heavily impregnated with visible gold.

Prominent mining concerns have been attracted by the discoveries made this summer in the Sturgeon River district. Considerable ground is held by various companies both north and south of the river. On the north side a belt of great promise runs for a distance of four to five miles. Some of the major developments in addition to the Brennan-Kenty in the Sturgeon River field includes that on ground held by Springer Exploration Co., the Brookbank, Mystery Syndicate, Prospector Airways, U. S. Smelting Co. interests, McDonough-Spiers, and others.

Gabrielle Mine Shaft Now Down 266 Feet

Recent progress report over the signature of George H. Salton, mine manager, states that the shaft on the property of Gabrielle Mines is down to a depth of 266 ft. with station timbers erected at the 200-ft station. It is stated that the mine plant is operating in an efficient manner and that no difficulty is estimated in reaching a 325-ft. level by the end of the month.

After this, station cutting will be carried out and a crosscut started for the first vein. A diamond drill hole ore intersection at approximately this horizon is located 80 ft. from the shaft. Mr. Salton is of the opinion that a development on two levels only will give sufficient information to decide whether or not mill construction is justified during the coming winter.

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